

Purchasing Week

MCGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Vol. 2 No. 6

New York N. Y., February 9, 1959

\$6 A YEAR U. S. AND CANADA \$25 A YEAR FOREIGN

PURCHASING WEEK Devises a Business Barometer:

First Reading Says—'Rising Industrial Activity'

New York—All economic signposts point to a continued slow steady rise in industrial activity. A new study of leading business barometers indicates that P.A.'s in the next few months can look forward to moderately increased buying, steady to slightly higher inventories, and generally firm prices.

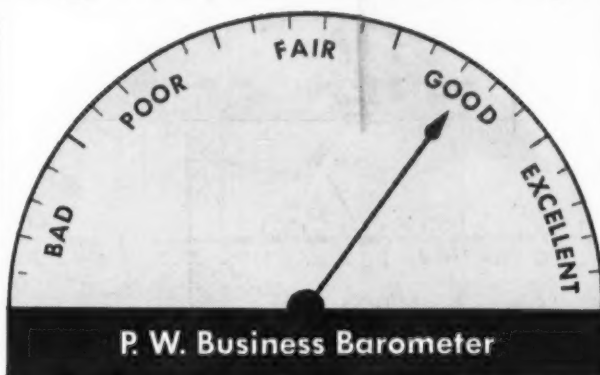
This mildly bullish picture is reflected in PURCHASING WEEK's new business clock shown in the illustration alongside. Note the P.W. arrow points to "good" rather than "excellent." That's because, while most barometers are heading up, they're doing so at a leisurely pace—hardly at a rate to indicate a new super boom.

Keeping a "weather" eye on indicators of the future business climate can serve a two-fold purpose.

- First, and most important, it can provide a firm basis for planning your own near-term purchasing activities.

- Moreover, it can keep you up to date on general economic trends—a must if purchasing is to continue its growing role in management.

For these reasons PURCHASING WEEK will run periodic surveys (probably every quarter) on economic indicator trends. Similar to this one, they'll take a detailed look at almost all of the generally accepted indicators of future business



activity. Of the 12 such barometers currently being examined, 8 point up, two are level, and only two are down.

It's not often that you find such unanimity of direction in these diverse business guideposts. When you do, you can be pretty sure of which way the business wind is blowing.

Results of this new study are condensed in the table on page 4. In addition to current and past trends, you will find a short description of what each barometer is designed to show.

The coverage includes all major areas of the (Continued on page 4)

Plastic Prices Continue Dropping; Makers Tell P.W. Softness to Last

New York—Prices in the plastics industry are continuing their downward trend. This was spotlighted recently by reductions on high-density polyethylene and colored polystyrene.

Noting that over-capacity was still the "gremlin-in-the-works," major plastics producers queried by PURCHASING WEEK said they expect this general price softness to last through most of 1959.

Eastern Railroads Will Fight Seaway With 'Special' Rates

New York—Eastern railroads have decided that "aggressive action" is the best defense against competition expected when the St. Lawrence Seaway goes into full operation this spring.

Rail officials report this action will take the form of "special rates" to prevent any loss of volume export-import traffic currently handled between the interior and North Atlantic ports.

"We aren't going to wait until the Seaway has already taken a lot of traffic away from us and then try to get it back," said E. V. Hill, chairman of the Traffic Executive Association—Eastern Railroads.

"That's what we did when (Continued on page 34)

Western Electric P.A. Dies in N.Y. Air Crash

New York—A Western Electric Co. assistant purchasing agent was one of the 65 victims who died in the American Airlines turbo-jet crash here last week. He was Warham W. Janes, 60, of Upper Montclair, N. J.

Janes handled the purchase of central office equipment and electrical and electronic devices. A member of the Western Electric purchasing division since 1939, he joined the firm in 1920.

Reinforced plastics producers, meeting last week in Chicago at the 14th annual conference and exhibit of the Reinforced Plastics Division of the Society of the Plastics Industry, Inc., offered like opinions.

The P.W. survey emphasized several factors playing an important role in keeping plastics tags down:

- **Foreign Competition:** Plastics producing plants being built overseas will absorb a large part of (Continued on page 33)

Coming Seaway Tolls Expected to Contain Bulk-Rate Changes

Washington—St. Lawrence Seaway tolls are in final stages of clearance for publication by the U.S. and Canadian governments. Simultaneous release of the toll schedules in Washington and Ottawa is likely to come any day.

The official tolls are expected to be not far different from rates recommended jointly by the toll committees of the two countries last June. But some adjustments are looked for—particularly in bulk categories entitled to a lower charge than general cargo on the seaway.

But the big issues of Canadian toll-collection for ship passage through the Welland Canal—so far operated toll-free—and of a (Continued on page 4)

Labor Negotiations Putting Pressure On Industry, Unions

Washington—Industry and unions alike are feeling increased pressure from current and pending labor negotiations.

A 10¢ an hour boost began spreading through the textile industry last week. Fabric trading was disrupted as mills and buyers dallied to assess the ultimate cost effect.

The United Rubber Workers union picked the U. S. Rubber Co. as its first target in negotiations due to start soon. Industry contracts begin expiring Aug. 9, and a settlement with U. S. Rubber or any others from the Big Four of the industry could set a pattern for some 175,000 workers.

Heavy buying in metals, particularly steel, reflected mounting concern over anticipated contract crises in mid-summer. United Auto Workers struck eight Allis-Chalmers plants after refusing a three-year pact pro- (Continued on page 33)

Auto and Steel Industries Facing Major Trouble in U.S. Antitrust Actions

Washington—Both the automobile and the steel industries are headed for major antitrust troubles with the U. S. Department of Justice.

Grand jury investigations just getting underway could lead to broad new antitrust suits with sweeping economic impact for both industries and the customers they serve.

Final decisions have not yet been made. But all indications suggest the antitrusters have at least two goals in mind: (Continued on page 33)

P.A.'s Viewing Inventories Calmly; Second Quarter Acceleration Indicated

New York—Except for a near frantic rush to buy steel in some areas, purchasing executives are taking a calm but ready attitude toward inventories.

The evidence shows that for the most part industry appears to be taking the increased business activity in stride. With few exceptions (steel buyers), most industrial P.A.'s exhibit cautious restraint; but the faster pace of business is telling, and the trend is toward a general upward movement in inventories.

Order Rush Hits Steel Mills Hard

Pittsburgh—One of the most hectic surges of peacetime steel buying on record has hit the nation's steel mills.

Orders began picking up steam about mid-January. By last week the pace had steel sales managers gasping in disbelief.

A number of products—particularly sheets, plates, tin plate, and galvanized—quickly went on an allocation basis in some mills.

The sales chief of one large Midwest producer called the entire situation "hysterical." He said, "people are buying everything they can, seemingly without rhyme or reason."

His mills and others have had to allocate, either formally or informally, products that weren't (Continued on page 34)

As one Philadelphia P.A. expressed it, he's ready "to turn on a dime."

A just-released Commerce Department survey of inventory-sales expectations of 2,000 manufacturers for the period ending March 31 reflects that assessment of the inventory picture.

The department's findings showed that with inventory liquidation virtually ended, the bulk of the nation's manufacturing plants have by now or will begin a definite, although restrained, rebuilding of stocks before the end of the first quarter of '59.

A slightly more recent (last week) inventory checkup by McGraw-Hill's "Business Week" confirmed in general the results of the Commerce Department survey. But B.W.'s interviews with scores of company officers in numerous industries from coast-to-coast turned up additional strong evidence of a faster (Continued on page 34)

This Week's

Purchasing Perspective

FEB. 9-15

Steel makers are flabbergasted at the wave of scare buying which has deluged them with orders. Only three weeks ago some were still complaining that strike hedge-orders were not developing fast enough to prevent possible delivery jam-ups in late spring.

Now some already are calling it the "great steel binge of 1959".

Big and little firms have jumped in with orders to build up steel inventories big enough to tide them over for 30, 60, and in some cases 90 days of a steel strike.

Snowballing effect of steel strike fears has been fantastic.

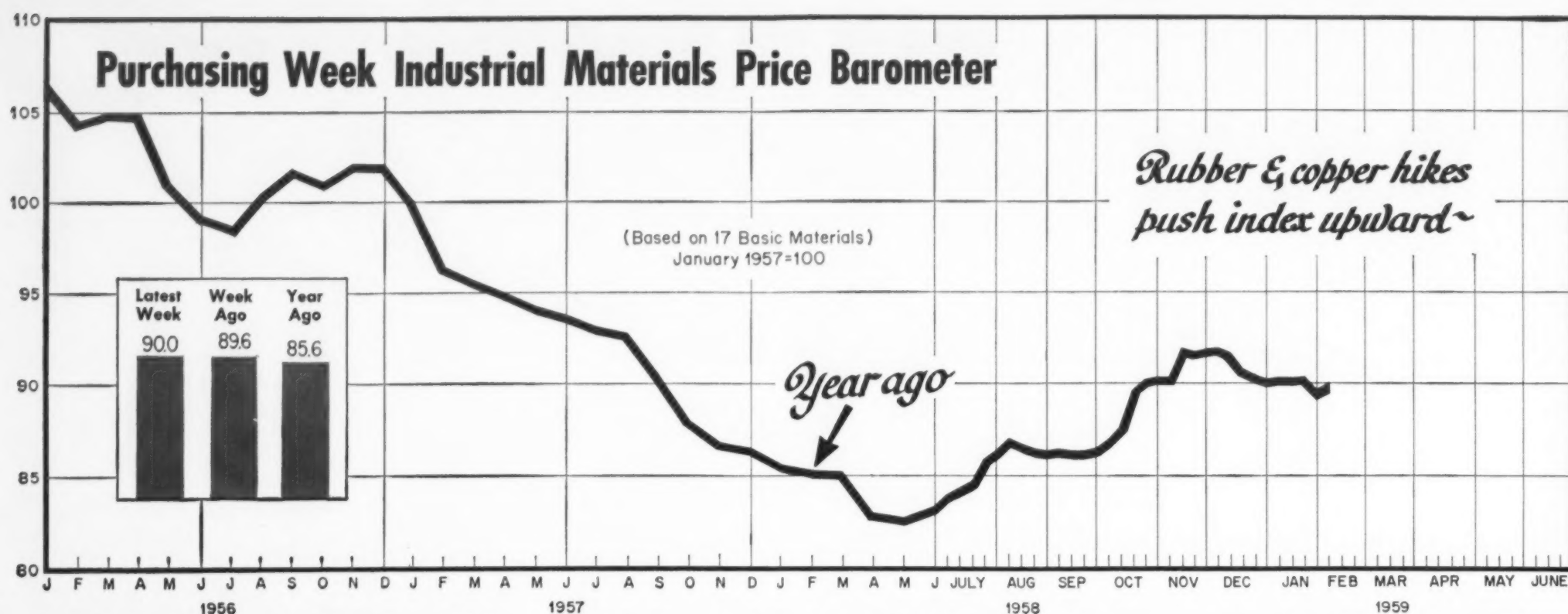
One veteran steel sales executive, retiring after service spanning three wars, said last week: "I never would have believed this kind of scare-buying could be brought on by anything less than war."

Steelman like the orders, of course. But already they are beginning to wonder what lies ahead after next July—especially if the steel workers union and the industry reach a settlement without a work stoppage.

A considerable fall-off in production after next July 1 is even more certain than the strike so many industry observers now predict as a virtual sure thing.

"We know business generally is improving week-by-week," steel spokesmen comment. But they add that there "just isn't the business right now" to warrant the kind of buying they have been experiencing for the past three weeks.

A number of big and important firms have joined the pack (Continued on page 33)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

-This Week's

Price Perspective

FEBRUARY 9-15

Reports of improving demand and scattered price boosts are coming in from many sources.

On the price front, several major items moved up in the past week or so. Boosts, for example, were reported for copper, oil, lumber, and some fabricated items. Wage hikes could push up textile prices a bit, too.

On the demand side, encouraging news comes from a special PURCHASING WEEK study on leading business barometers (see p. 4). It indicates slowly improving business into spring.

On the surface, current steel outlook also provides a rosy picture. Output is now running at close to 80% of capacity, reflecting the fastest buying pace in 2½ years.

How basic is this current business upsurge? Will it continue? What will it mean for the general price level?

To provide insight as to what's ahead, you have to take a closer look at what's really behind the current spate of bullish news.

A closer analysis points up one significant fact: **Not all the new developments represent basic improvement. Some of the news must be discounted.**

A sizeable percentage of steel buying, for example, is hedge inspired. Not even the most optimistic steelmakers would deny this.

Much of the copper price rise is caused by foreign considerations, and can be only partially traced to increasing domestic demand.

By the same token, recent wave of fuel oil boosts is basically due to frigid weather which has drained stocks and tightened inventories.

When you subtract some of these more dubious demand factors, the outlook picture is somewhat less bullish.

One thing for sure: A preponderance of factors still rule against any runaway boom and inflation.

- **From the supply angle** most materials are plentiful, outside of some few steel items. And overcapacity is still a problem in many lines.

- **From the spending angle** capital equipment buying still leaves much to be desired. Moreover, hard goods orders have been leveling off a bit.

• **From the cost angle** rising productivity in many areas will be enough to offset wage boosts.

• **From the government angle** the glaring Washington "inflation" spotlight will make some suppliers think twice before boosting prices.

Best bet is still for strong, but relatively stable prices—superimposed on a slowly rising production curve.

It's a time when evaluating business trends calls for extra caution.

This is particularly true when making usual year-to-year comparisons. The current stable-to-rising trend, when compared to last year's falling activity, could result in some misleading interpretations.

Example: Assume current activity will remain level in February and March—where last year it was falling. Then your March '59 year-to-year comparison would automatically be better than February results.

But it would be due to a statistical fluke, not to any real improvement over the months in question.

A more valid comparison would pit current performance against month or quarter ago results—adjusting for seasonal differences, if needed.

Better yet, compare current performance with the comparable months of 1956 and 1957. You might come up with some sobering results.

This Week's Commodity Prices

	Feb. 4	Jan. 28	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.275	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	5.675	5.425	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.9
Steel scrap, #1 heavy, del. Pitts., gross ton	43.00	43.00	33.50	+28.4
Steel scrap, #1 heavy, del. Cleve., gross ton	43.00	41.00	29.50	+45.8
Steel scrap, #1 heavy, del. Chicago, gross ton	39.00	44.00	34.50	+13.0
Aluminum, pig, lb	.247	.247	.26	- 5.0
Secondary aluminum, #380 lb	.218	.220	.212	+ 2.8
Copper, electrolytic, wire bars, refinery, lb	.296	.287	.246	+20.3
Copper scrap, #2, smelters price, lb	.243	.243	.175	+38.9
Lead, common, N.Y., lb	.12	.12	.13	- 7.7
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.70	+ 5.7
Tin, Straits, N.Y. lb	1.015	1.001	.931	+ 9.0
Zinc, Prime West, East St. Louis, lb	.115	.115	.10	+15.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.35	-14.9
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.75	-13.8
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.70	-20.1
LP-Gas, Propane, Okla. tank cars, gal	.055	.055	.05	+10.0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.115	.115	.123	- 6.5
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.12	.115	.12	0
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville. furnace, ton	15.25	15.25	15.25	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	-14.0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut, oil, inedible, crude, tanks, N.Y. lb	.205	.205	.146	+40.4
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.16	.16	.184	-13.0
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.85	9.85	9.50	+ 3.7
Shellac, T.N., N.Y. lb	.31	.31	.33	- 6.1
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.074	.073	.081	- 8.6
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	- 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	23.00	23.00	17.00	+35.3
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.29	4.29	4.42	- 2.9
Glass, window, single B. 40" bracket, box, fob N.Y.	7.90	7.90	7.09	+11.4
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	119.00	119.00	113.00	+ 5.3
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago	134.00	133.00	112.00	+19.6
TEXTILES				
Burlap, 10 oz, 40", 100 yd	10.60	10.60	10.25	+ 3.4
Cotton, middling, 1", N.Y., lb	.357	.358	.362	- 1.4
Printcloth, 39", 80x80, N.Y., spot, yd	.182	.182	.176	+ 3.4
Rayon, satin acetate, N.Y., yd	.258	.258	.288	-10.4
Wool tops, N.Y. lb	1.415	1.43	1.620	-12.7
HIDES AND RUBBER				
Hides, cow, light native, packers, lb	.19	.19	.145	+31.0
Rubber. #1 std ribbed smoked sheets, N. Y., lb	.302	.30	.262	+15.3

Wage Boosts May Trigger Higher Textile Tags

New York—Wage boosts for over 500,000 Southern textile workers are almost a sure bet for the near future. The action is being triggered by the wage hike approved by Cannon Mills Co., a major textile producer. It's expected to spread throughout the industry in the South within a matter of weeks.

At present there is no clear cut indication of what the expected wage increase, which will average from 10¢ to 15¢ an hour, will have on textile prices. But producers are expected to use the wage boost as reason to raise prices which have been showing some signs of strength in the past two months.

There is a question, however, of just how much of this increase can be passed along to textile consumers. The old problems of: loss of markets to other industries, chronic overcapacity, obsolete equipment, and competition from foreign imports, still plague textile producers.

Whatever the extent of the price rise, P.A.'s can expect increased purchasing activity this year in just about every area of industrial textiles.

Output Has Rebounded

Output of textiles has rebounded sharply from the recession lows in the past six months (see chart above). But total output of 97.8 in 1958 (1947-49 = 100) was still 1.3% below the 1957 level. This year, however, textile men are expecting the beginning of the long-awaited industry recovery. Production is expected to total close to 106 for the year, 8% above 1958.

Basic demand boosts from various sectors of the economy are behind the expected increase.

- Higher personal income, stemming from more jobs and higher wages, is expected to increase consumer spending some 5% over 1958 this year. This will mean a boost in outlays for softgoods of about 3%, with apparel sales accounting for a large share of the increase.

- Textile demand from home furnishings manufacturers will rise sharply this year. The primary reason behind this was a boost in housing starts in 1958 due to easier credit and new housing legislation.

- Industrial textile demand also will rise appreciably in certain areas. Both auto fabric and tire cord output are expected to jump at least 20% over 1958, while most other industrial fabric demand will rise about 5%.

Productionwise then, textile movement is upward, but whether the industry can match the growth of the economy as a whole is another question.

The major problems of the industry, noted above, are behind the weakness in textile prices over the past five years. The chart above shows the gradual decline in prices that has been taking place since 1954. Output spurts, such as the one which has occurred since last June, have had little or no effect in firming prices.

Average textile product prices now stand at 93.2% of the 1947-49 average. That's close to 2% below the year-ago level. While some firming now is taking place, the outlook for the remainder of the year hardly indi-

cates sharply rising prices.

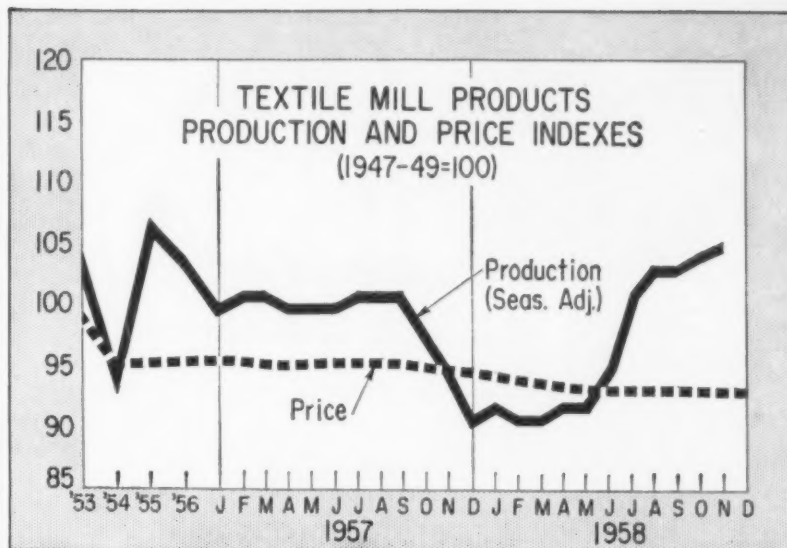
Although the current demand spurt and the coming wage boosts may lead to a slight rise in average prices over the next few months, some of the industry's major problems must be solved before any significant across-the-board price hikes come to pass.

The expected upturn in textile output, however, will spark spending for equipment and supplies on the part of textile producers. After declining 6.3% to 120 in 1958, the "Textile World" index of mill purchases in ex-

pected to rise to 135 in 1959 (1947-49 = 100).

That would be the highest level of mill buying in 30 years, and would mean increased purchases over 1958 for every major type of textile equipment.

Biggest equipment purchase rise will be in the knitting area where a jump of 14.2% in outlays over 1958 is expected this year. The spinning and weaving section as well as the finishing segment of the textile industry both are expected to boost equipment purchases by 10% in '59.



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Washington Perspective

FEB. 9-15

Russian trade winds are blowing up a storm in Washington.

Protectionists are mustering strength for their biggest drive in a quarter century to erect new trade barriers against competition from foreign suppliers.

On the other side of the trade coin, Senate Democratic Leader Johnson presses for a full-scale Congressional investigation of U. S. trade and aid policies to open up new markets abroad for American goods.

What is kicking up all the fuss is Nikita Khrushchev's taunting challenge to the U. S. to meet the Soviet Union on economic and trade grounds instead of the battlefield. Khrushchev boasts that Russia will force the U. S. to its knees in this kind of peaceful competition.

Washington reaction was swift, and violent. The Senate Commerce Committee readied an investigation of Russian trade potential. Senator Stennis (D-Miss.) called for a broad subsidy export program—under which the government would pay exporters the difference between their domestic price and any lower price they would have to sell at abroad to meet world competition.

But the biggest outburst came from the protectionists. They lost out last year in their attempts to weaken the Reciprocal Trade Act. They are now trying to make some new points this year.

Watch for a big push to broaden terms of the "defense essentiality" law. Under this provision, import barriers are raised against goods declared "essential" to American defense to foster their growth at home. It's a new twist on the old "infant industry" protection argument.

Numerous industries pressed by foreign competition are scrambling to get under the shelter of defense essentiality. Tighter oil curbs are in prospect, helped by the import last week of Soviet Romanian oil.

Pleas are pending for new restrictions on heavy electrical equipment, fluorspar, tungsten, cobalt, and even several textile products.

Defense and national security are also being used to argue greater trade curbs under the Buy-American Act. Chemical products are fighting any easing of East-West trade controls on the same grounds.

There's a lot of misunderstanding and emotional breast-beating over the Red trade challenge. U. S. trade experts are virtually unanimous in agreeing that the challenge is mainly political and propagandistic, and that in dollar terms the Russians can't make much of a dent in world markets for years, even decades.

To try to clear up the confusion, Senate Leader Johnson proposes a thorough review of the whole subject. He has invited leading businessmen and trade experts to help conduct the study and at the same time explore new avenues to open up more markets, particularly in the less-developed countries.

"There is no reason why we can't beat him (Khrushchev) at this game," Johnson says. "We have the world's greatest industrial capacity . . . we have great stores of untapped resources."

Tough new "make-or-buy" regulations may be imposed soon on all defense contractors. Basically, these regulations tighten Pentagon control over subcontracting by prime contractors to trim defense costs.

Purchasing departments would play an important role in the system. Pentagon officials would exhaustively review contracts to require primes to buy those items which they can at costs lower than they could manufacture them in their own plants.

Air Force contractors already have to comply with the regulations. The Defense Department is considering extending them on a defense-wide basis.

Prime contractors are objecting to the regulations, claiming they entail needless delays and paper work.

American Potash Opens Sodium Chlorate Plant

Aberdeen, Miss. — A new sodium chlorate plant here makes American Potash & Chemical Corp., according to the company, the largest United States producer.

The plant, costing \$4.3 million, will begin delivering the finished product this month. It has a capacity of 15,000 tons a year and was put on stream

last month spokesmen announced.

Output of the Aberdeen plant and another production facility in Nevada, will total approximately 40,000 tons a year, or about 45% of current domestic consumption.

The Aberdeen facilities were erected to supply chemicals for bleaching to the growing Southern pulp and paper industry.

Business Looks Good, 8 Out of 12 Indicators Point Up

Leading Indicators	What They Predict	Current Business Outlook	What Indicator Showed Three Months Ago
P.W. Price Barometer	Imminent changes in overall demand.	→	↑
P.W. Overtime Hour Index	The urgency of meeting delivery schedules.	↑	↑
Day's Supply	Future inventory policy and trends.	↑	↑
Ratio: New Orders/Sales	Trend in manufacturing backlogs and hence business activity.	↓	↑
Ratio: Stock/Orders	Effect of orders on production schedules.	→	↑
Business Births	Opportunities available for new business.	↑	↑
Business Failures	Relative health of business community.	↑	↑
Industrial Stock Prices	Wall St. appraisal of business outlook.	↑	↑
Plant & Equipment Spending	Future capital spending plans.	↑	↑
Machine Tool Orders	Business feeling about future economic climate.	↑	→
Construction Awards	Future overall construction activity.	↓	↓
Housing Starts	Near-term residential building activity.	↑	→

First Reading Says—'Rising Industrial Activity'

(Continued from page 1)

economy: inventories, orders, sales, prices, capital spending, construction, business sentiment, etc.

For better evaluation, most of these barometers have been adjusted for seasonal changes. Thus, rises and falls shown are real, not distorted by the usual seasonal movements.

Each measure presented in the table is designed to telegraph some future business development. They are what the economists like to call "leading indicators." In other words, they indicate what the future trend is likely to be, rather than reporting on the current state of business.

But that's not to say that knowing the current

state of business isn't important. Intelligent forward planning requires knowledge of both:

- Where we are now, and
- Where we are going.

PURCHASING WEEK's weekly production records are designed to fill the former need. They give the most up-to-date statistics available on current industrial activity. In fact, items contained in that table reflect what has happened recently.

When you combine this background information with the "leading indicator" data shown in the table above, you have a good deal of valuable information on which to base your future purchasing operations.

Coming Seaway Tolls Expected to Contain Bulk-Rate Changes

(Continued from page 1)

composite toll system combining separate charges for the ship itself and for the cargo carried were regarded as settled last summer by the joint committee report.

Revisions considered likely for the committee schedules center in the list of commodities that would pay the lower bulk-cargo rate, proposed at 42¢ per short ton for the 218-mile transit, Montreal to Lake Erie. All other commodities, according to the committee proposal, would pay the higher 95¢-per-ton general cargo rate. A single exception would be made for domestic freight shipped via seaway between two points, wholly within either the United States or Canada.

The suggested ship charge was 6¢ for each ton of registered gross tonnage. In the last five months, seaway agencies of the two countries (the St. Lawrence Seaway Development Corp. on the U.S. side and the St. Lawrence Seaway Authority in Canada) have worked out joint agreement on revised tolls.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,256	2,178*	1,457
Autos, units	119,753	126,843*	104,359
Trucks, units	24,950	24,475*	18,355
Crude runs, thous bbl, daily aver	8,113	8,311	7,548
Distillate fuel oil, thous bbl	14,972	15,009	12,543
Residual fuel oil, thous bbl	7,600	7,779	7,497
Gasoline, thous bbl	27,514	28,101	27,040
Petroleum refineries operating rate, %	84.5	86.5	82.6
Container board, thous tons	141,572	148,058	126,015
Boxboard, thous tons	152,254	144,476	140,566
Paper operating rate, %	90.3	90.3*	90.4
Lumber, thous of board ft	233,137	230,518	220,542
Bituminous coal, daily aver thous tons	1,334	1,382	1,381
Electric power, million kilowatt hours	13,151	13,394	12,238
Eng const awards, mil \$ Eng News-Rec	248.2	418.2	322.9

*Revised

Sharon, Pittsburgh Steel Consider Merger

Pittsburgh — Sharon Steel Corp., 13th ranking producer, and Pittsburgh Steel Co., the 14th, have announced they are mulling over merger possibilities.

If carried out, such a combination would result in steel making facilities of 3.4 million tons annual capacity, a jump to 9th place in the national ranking.

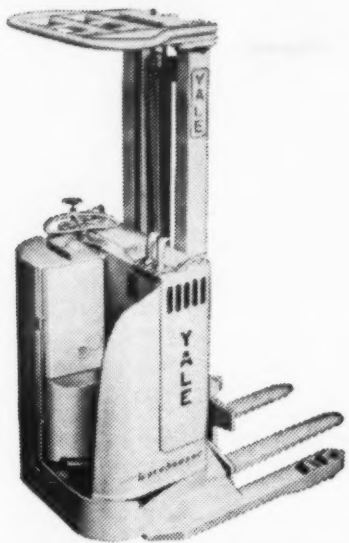
The merger announcement coincided with the decision of Bethlehem Steel Corp. and Youngstown Sheet & Tube to terminate their merger plans

which had been sidetracked any way by an adverse court decision in the government's antitrust suit. Justice Department sources had nothing official to say about the Pittsburgh Sharon proposal, but the feeling was that the two companies, while fairly small, still might face adverse reaction in the antitrust department.

A merger would put Pittsburgh Steel into the stainless line and Sharon would benefit from a greatly expanded market and product offering.

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Your new Yale Warehouser will spend more time on the job! More days on the job! Operational maintenance is minimized because all components are in one fully-accessible compartment. More years on the job! Durable construction! Service access doors protected against

bumps—no sprung doors. Frame, chassis, outriggers and channels are a single welded unit.

This new Yale narrow aisle truck is available in straddle and Extend-A-Fork models—in capacities of 2,000, 3,000 and 4,000 lbs. Standard 12-volt models also available. The new Warehouser takes its place as part of Yale's complete line of industrial lift trucks and hoists—gives equally efficient performance in the warehouse or as part of a fleet. Contact your Yale representative or write for brochure #1535H to The Yale & Towne Mfg. Co., Yale Materials Handling Division, Phila. 15, Pa., Dept. RT-1-H.



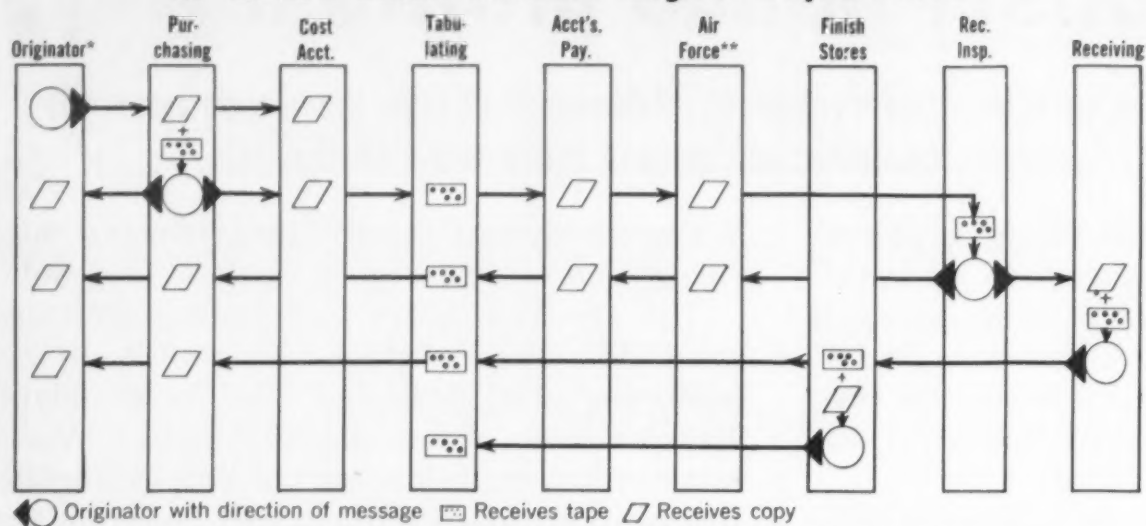
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INDUSTRIAL LIFT TRUCKS
TRACTOR SHOVELS • HOISTS

YALE & TOWNE

Yale Materials Handling Division, a division of The Yale & Towne Manufacturing Company. Manufacturing Plants: Philadelphia, Pa., San Leandro, Calif., Forrest City, Ark.
Products: Gasoline, Electric, Diesel and LP-Gas Industrial Lift Trucks • Worksavers • Warehousers • Hand Trucks • Industrial Tractor Shovels • Hand, Air and Electric Hoists

How Communications Move Over Teletype Network of G. E.'s Small Aircraft Engine Department



*Five possible originators in G.E. including production control. **Applies only when Air Force is customer.

As shown by the chart above, a request for material originates with production control or one of four other locations within the Lynn plant. This request is transmitted on the request for material circuit. Cost accounting receives page copies, purchasing the copies and a punched paper tape. Requests from areas not serviced by teletype may be sent to purchasing on handwritten forms. The teletype procedure is followed from there on.

Purchasing prepares a purchase order using punched paper tape to type repetitive data from the request for material. When the prepared P.O. is transmitted on teletype, copies are received by the originator (production control), accounts payable, cost accounting, and the Air Force if a customer. Paper tapes are produced in receiving and tabulating departments.

When material comes in, receiving prepares a report using the paper tape bearing all repetitive data from the purchase order. Transmitted copies are received by production control, purchasing, accounts payable, the customer, and receiving inspection. A paper tape is received by tabulating and receiving inspection.

When the received material moves to receiving inspection, certain information is added to the tape: quantity accepted, rejected, material review board comments, etc. Page

copies of this quality control record are received in production control, finished stores, and purchasing. Paper tapes are received in tabulating and finished stores.

When the accepted material moves from receiving inspection to finished stores, they transmit the quantity accepted to tabulating in the form of a tape.

Transmissions on any given circuit as described above are received simultaneously by all stations called. The selection of stations is made by predetermined call codes placed on the request for material at time of origin.

Paper tapes received in tabulating from purchasing, receiving, receiving inspection, and finished stores contain only statistical information. By converting the tapes to punched cards on a tape-to-card machine, reports and analyses can be obtained by machine. These reports include:

- Buyers open purchase orders
- P.O. commitments
- Production order status
- Vendor analysis reports, by buyer if desired
- Stock status

Expansion of the system to permit automatic preparation and transmission of other reports and shipping notices is planned. Automatic checking of vendor invoices and preparation of payment vouchers is also being planned by comparing punched cards.



SIX TYPES OF FORMS used in mechanized materials procurement are examined by Gordon A. Walker, supervisor of data control and systems.

How G.E. Justified I.D.P. Purchasing

Documents handled	1957	1958	% increase
Material requisitions ..	43,205	63,012	46
Purchase orders	34,443	51,672	37
Receiving reports	39,450	64,496	62

People required	1957	1958	Attrition	'58 with manual sys.
Production control ..	102	98	4	140
Purchasing	90	87	3	121
Receiving	15	12	3	24
	207	197	10	285

Gross reduction in personnel: 285-197=88 people

Net reduction in personnel: 44 people (assuming 1/2 of additional work would have come from increased load)

Savings the first year:

Salary saved	\$264,000
Less equipment rental	42,000
(teletype only)	
Less installation costs	3,000
Net savings	\$219,000

Take 1st Step Toward I.D.P. without a Computer

General Electric's Small Aircraft Engine Department at Lynn, Mass., Develops, Installs, and Reaps Benefits of Mechanical Procurement System Using Existing Business Machines Including Plantwide Teletype Network

Companies without a computer can take the first step toward integrated data processing (I.D.P.) by using present business machines. General Electric Co.'s small aircraft engine department at Lynn, Mass., has established a system which handles all repetitive information.

This five-year old producer of turbine engines had special problems:

1. Of the 1,200 close tolerance parts in each engine, 65% are obtained from subcontractors.
2. Numerous engineering and purchase order changes are common during development work for the Armed Forces.
3. Up to 23 purchase order copies may be required to satisfy internal, government, and subcontractor requirements.

With receiving and purchasing located 1/2-mile apart in a con-

verted plant, processing rush orders was a matter of foot work not purchasing techniques. So under a crash program, within eight months, G.E. developed, installed, and started reaping the benefits of a mechanical procurement system.

Designing the system around standard machines (teletype and punched cards) readily available or already in the tabulating section, a task force came up with a system which reduces costs, errors, and paperwork. All repetitive information in the government purchasing system is now handled three times faster. Teletype machines capture this information at 100 words a minute versus the 30-40 words of manual typing. Errors are reduced to 1 in 200,000 bits of information.

In purchasing, 16 teletype machines process 200-300 orders daily. Each of the other eight locations in the plant needing

some of the information of the original purchase order for later handling, can take down and store this on punched tape (see chart above). Then when needed, the same information is automatically entered on receiving reports, invoices, etc. with other departments capturing any of this added information.

For instance, when receiving gets in an order they take out the tape associated with that order and put it into the sending teletype. The only new information added is number received, condition, etc. Tabulating and other departments received the transmitted information almost immediately and store it for their own use. Tabulating uses its tape to create up-to-the-minute punched cards.

Despite a 50% increase in work load since the system was first installed, this small G.E. division has not added any personnel. As the recap of expenses

shows, this system in the first year has furnished a \$219,000 savings in personnel alone. Other savings of accuracy, increased communications, and readily accessible statistical information cannot be measured in dollars and cents, though it's appreciable.

As Gordon Walker, supervisor of the controls systems commented to P.W., "Despite the savings already realized, we know we can re-design this program and even squeeze more out of it." One of the areas he is looking at is the manual handling of invoice matching and payment typing. With a few changes in the system this \$20,000 a year operation also can be handled by the mechanical system.

"Introducing such a new system into a plant requires patience and education," Walker continued. "We had a terrific education problem and held two or three meetings per week.

All people involved were made acquainted with the system. Every step that affected their work was fully explained to the people involved.

"We had no union problem," Walker explained, "because we planned to use the same people with no increase in work load as the machines took over." As the chart shows, the only reduction in number of people was the natural attrition over eight months of ten people. But if the old hand methods had been kept, 88 more people would have been needed in production, purchasing, and receiving.

It also serves the suppliers. One advantage of the system is that vendors receive complete purchase orders whenever a change is made. Automatic typing permits supplying all information on the last issued purchase orders precluding searching through repetitive change orders.

Eisenhower Organizes 2 Combat Teams to Find Causes and Cures of Rising Prices and Inflation

Vice President Nixon Picked to Head General Anti-Inflation Group; Raymond Saulnier's Committee Will Investigate Prices

Inflation has long been a favorite subject of Congressional investigating committees. Their success in containing the threat so far has been somewhat less than spectacular. The following article, another in the P.W. series on Washington investigations of general economic conditions and business life, discusses White House strategy in its recently announced major campaign against rising prices. **The Editor**

Washington—President Eisenhower has organized two combat commands for what promises to be a two-year running fight with Democrats over the causes and cures of rising prices and inflation.

A pair of high level Administration committees will undertake the Republican investigation of the perplexing economic phenomenon. They will report directly to the White House on ways to hold down prices and still maintain adequate economic growth to meet the defense and domestic needs of the United States.

As an indication of how seriously Eisenhower considers the problem, he has named Vice President Richard M. Nixon to head up the general anti-inflation

are developing as their basic issue that Eisenhower's pared down budget is chaining economic growth and that times demand a bigger role for government in advancing business.

The Eisenhower rejoinder will be shaped to a large extent by the activities of two committees:

The Nixon committee will be

comprised of most of the biggest men in the Administration and will form a sort of grand policy board on inflation. An important adjunct to its official work will be to see that Administration findings and ideas are gotten across to the public.

Nixon's appointment moves him even more into the 1960

presidential spotlight. It is the most important assignment he has had yet, and one that will put his political skill to the test.

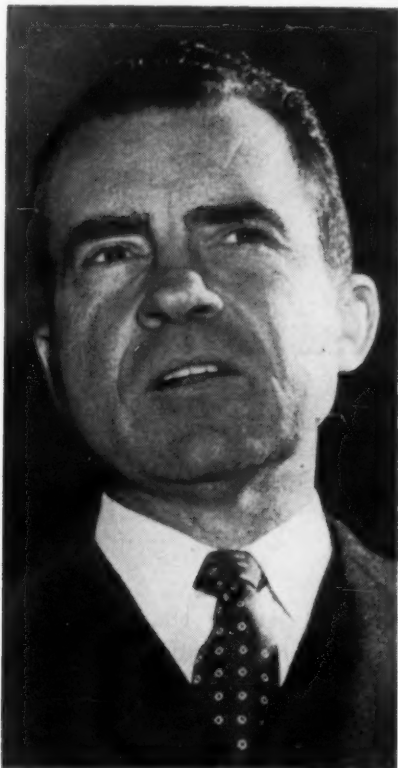
Nixon believes that economics will be the overriding issue of the 1960 campaign and that the G.O.P. will stand or fall on its record in this area. He is fully in accord with the President's balanced budget precepts and the need to fashion a strong anti-inflation program.

But the Vice President appears to concern himself more with ways of stepping up the nation's flagging economic growth rate than does Eisenhower. He sees the price picture and the rate question as the same problem.

Nixon will give equal weight to both in his new role as the official voice of Administration economic policy. But he will have to tread carefully to avoid injuring the economic sensibilities of several old guard members of the panel. Nixon is now passing the word that any program he shapes will be cast in a "conservative" mold.

His group, labelled the Cabinet Committee on Price Stability for Economic Growth, will organize public hearings on the cost-price tendencies of specific industries. The hearings themselves will be carried out by blue ribbon groups of leading citizens

(Continued on page 8)

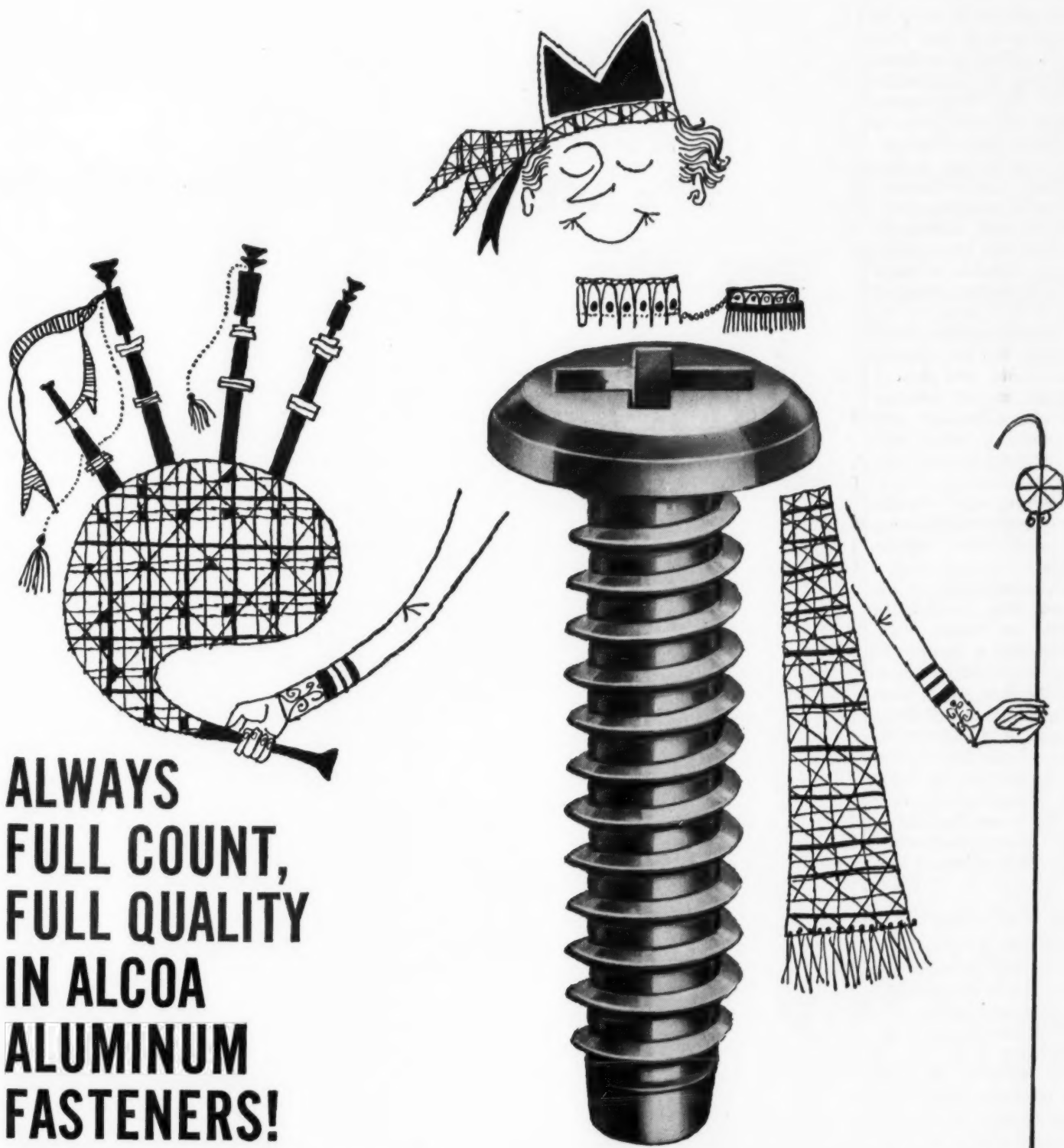


VICE PRESIDENT RICHARD M. NIXON
Heads Eisenhower's Policy Group

committee. The other, to look into the impact of government activities on prices, will be presided over by Raymond Saulnier, chairman of the President's Council of Economic Advisers (P.W. Jan. 26 p. 1).

Designation of the two committees completes Eisenhower's basic strategy for combatting rising price levels. Other aspects are for maintenance of a reduced and balanced budget, and to amend the Employment Act of 1946 to charge the government with maintaining a "reasonably" stable price level.

The work of both committees will be deeply enmeshed in the political struggle leading up to the 1960 election. Democrats



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Eisenhower Gets 2 Combat Teams

(Continued from page 7)
drawn from the ranks of business, labor, and universities.

As of now, the committee is particularly interested in costs in the huge construction industry and in distribution industries. Others undoubtedly will be added.

Other members of the Nixon group are: Treasury Secretary Robert B. Anderson; Commerce Secretary Lewis Strauss; Agriculture Chief Ezra T. Benson; Postmaster General A. E. Summerfield; Labor Secretary James P. Mitchell, and Raymond J. Saulnier.

The "Brain Trust"

The Saulnier committee has an important task that everyone has talked a great deal about but done little else. This is to determine the impact of the government, with its sprawling operations and huge expenditures, in the area of prices and inflation.

The group has a more professional cast than the politically-weighted Nixon committee. Saulnier is a professional economist, and the members will be made up of assistant secretaries or their top aides in the leading areas of government.

Saulnier visualizes the group as a "brain trust" of government experts to examine and recommend changes in government policy concerning buying and stockpiling practices, price supports and subsidies, and, of importance to purchasing executives, rate-making and regulations for the Interstate Commerce Commission and other regulatory agencies.

The group's charter is so broad, however, that it will allow the committee to make wide-ranging studies into a number of the nation's basic industries to determine what the government role should be in relation to them. In this respect, it could collide with activities of the Nixon group. But Saulnier's star is on the rise as Eisenhower's economic consultant, and he intends to pursue his investigations vigorously, regardless of where they take him.

Interested in Two Areas

Aside from general programs, Saulnier specifically is interested in two areas. One is the question of import curbs and high tariffs and their effect on consumer and industrial prices. Findings in this area could form the basis of a new drive to lower tariffs and promote freer trade.

Secondly, and of extreme importance, is a subject that gets into the sensitive wage area. Specifically, the group will look into whether an agency like the Interstate Commerce Commission should grant railroads a freight increase to cover the costs of an "uneconomic" wage hike agreement. This would have the effect of indirectly thrusting the power of the government into collective bargaining on the side of lower wages.

Another area the committee would be interested in is whether huge purchases of goods by the Defense Department and other agencies has the effect of setting price floors under many commodities bought by private industry.

Newspaper P.A.'s Advised Not to Forget Making Many Small Savings

Chicago—Newspaper purchasing agents should look for ways to achieve many small savings and not just concentrate on the big ones. Reason: Larger savings can sometimes be eaten up by ultimate procedure changes.

T. A. Corcoran, "Louisville Courier-Journal and Times," gave this advice to some 25 newspaper purchasing agents at their second annual conference held here Jan. 30-31.

Although directed to a newspaper men's audience, his remarks also had general application in other purchasing fields.

Corcoran also urged the pur-

chasing executives to demand better quality, less transit damage, and improved loading methods on the part of newsprint manufacturers. These improvements are exactly the type that can make important contributions to savings, even though no actual reduction in the price of newsprint is in sight, he said.

Corcoran also warned the P.A.s not be "lulled into a feeling of permanent security" by the fact that the Canadian newsprint industry is operating at only 81.9% of capacity this year, compared with 82.9% in 1958 and over 100% a few years back.

It is entirely possible that current excess capacity could be wiped out in two years if demand should rise quicker than the long term average, Corcoran said.

At a symposium on "a good buy we have made," the P.A.s took turns telling of recent purchases of equipment which resulted in especially dramatic reductions in cost or improvements in efficiency.

Here are examples:

• Abe Bograd, "Kansas City Star," said purchase of a rewinding machine in 1950 to rewind newsprint rolls that had been flattened out in transit had paid

for itself "about 100 times."

• G. N. Barrett, "Philadelphia Bulletin," said that by buying mobile radio equipment for company vehicles instead of leasing it, the newspaper expected to save about \$28,000 over a ten-year period.

• H. J. Laufer, "Louisville Courier-Journal and Times," cited a number of recent savings, including switching to smaller gage tying wire.

• Larry Nash, "Cincinnati Inquirer," said purchase of a \$55,000 machine to stuff special supplements and sections in the newspaper had nearly paid for itself in one year through elimination of manual stuffing.

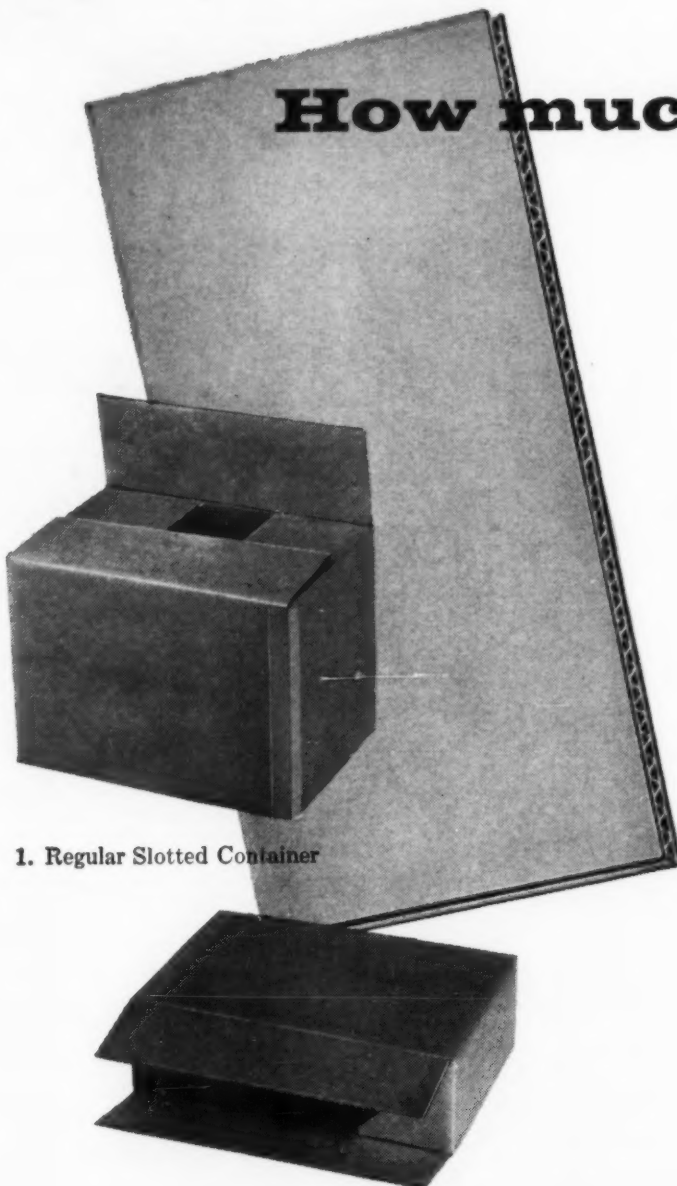
What you should know

How much tailoring does

Picking the proper corrugated shipping carton is like buying a suit. Rarely will a ready-made, "off-the-shelf" unit fit perfectly. Some modifications usually are needed; possibly even a complete custom-built job. It all depends on your product and how it is normally handled and shipped.

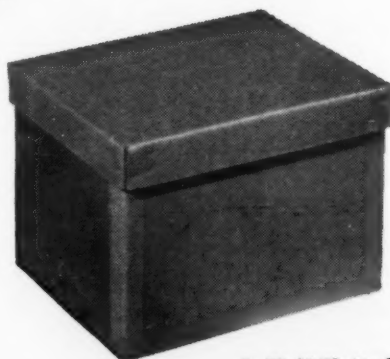
You may find, for example, among the representative basic box types shown here one that's just right for you. Or perhaps further structural design work would enable you to ship more efficiently and economically.

Talk it over with your local Union Box representative. He's an expert at pin-pointing all the pertinent factors. And at recommending or helping develop the most practical box for your needs.

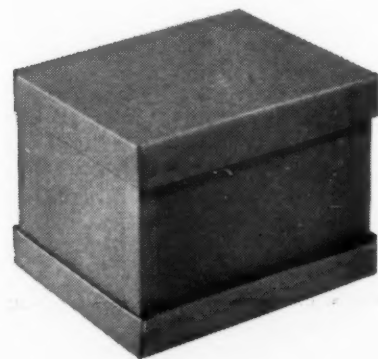


1. Regular Slotted Container

2. Special Flap Slotted Container



3. Half Slotted Container



4. Double Cover Box

Imports and Reciprocal Buying Engross Chemical Buyers

New York—An upsurge in import buying and the problem of reciprocity had many chemical buyers buzzing last week at the New York phase of the annual N.A.P.A. group meeting.

They also discussed inventories, prices, and supplier relations as did their Midwest colleagues at the Chicago session of the Chemical Buyers' Group Jan. 23. But imports and reciprocal buying caused the biggest stir in both formal and informal discussions.

Dismay was expressed con-

cerning increasing reciprocity dealings since the recession. "I thought it was something that would fade when business improved," commented the purchasing director for a large Eastern chemical company. "But I guess it's going to be around for quite awhile."

Another pointed out that this so-called "trade relations" policy conflicts with the aims of a good chemical buyer—volume buying on a competitive basis.

"When you have to spread a little here and a little there," he

said, "you sometimes wonder whether or not you're merely pretending to be a P.A."

On the import scene, one New York P.A. said he was currently buying some chemicals cheaper from Germany than he could get them from adjacent New Jersey.

F. J. D'Antonio, purchasing director for Charles Pfizer & Co., Brooklyn, said he was one of many in the chemical industry who have established a separate inventory setup for overseas purchases.

"I keep my inventory of U.S. products at a 30-day level," he explained, "while I let my inventory of imported commodities run anywhere from 60 days to six months. There are many factors that enter into it such as volume, availability, delivery, etc."

On the whole, most buyers here, as in Chicago, Jan. 22, agreed that import buying boiled down to a matter of economics with necessary consideration given to quality and delivery problems.

Other highlights of the session included:

Supplier Relations—In a discussion of how to generate more value from suppliers, V. Eric Johnson, purchasing agent at Charles Pfizer felt that salesmen should have more "authority" to make decisions on their own. "Many times when you ask a salesman if he can meet a competitive price," Johnson said, "he shrugs his shoulders and tells you he has to check with the home office. This delays a transaction and weakens the relationship between buyer and seller."

A. J. Ratichek, coordinator of purchases at Vick Enterprise Companies, said he finds the quality of salesmen improving, but not rapidly enough to keep abreast of the technological and complex advances.

"In far too many cases," he commented, "I find a lack of knowledge on the part of the salesman of the plant process used in manufacture of the raw material, and consequently, too little ability to make suggestions." He added that chemical buyers would open their doors wide to better educated salesmen.

Economic Outlook—It adds up to generally slight upward price changes and a continued tight watch on inventories for 1959 in the opinion of Eastern chemical buyers, product availability over the next six months is viewed as good although concern was expressed for industries where major strikes are considered a strong possibility (steel, copper, and aluminum in particular).

Personnelitis—Many remarked that apparent difficulties in finding qualified personnel for purchasing jobs in their industry stems from a training problem. Since World War II, chemical firms have insisted on technically trained men in sales so, said one P.A., "You have to have technically trained men to buy especially in a field where many new developments crop up."

Recognition—This subject was tackled by one of the speakers, Richard Taylor of McKinsey & Co., a New York management consultant firm. He called for better management controls and performance reporting tools, such as:

- Working with engineering to set target prices.
- Maintaining "formal control" charts on rejection rates for suggested purchases, vendor delivery performance, and special services rendered by vendor.
- Keep a running check on issuance of releases and purchase orders against buying schedules.
- Be able to help engineering establish product specifications.

Public Relations Subject Of Kalamazoo P.A. Meet

Kalamazoo, Mich.—Visitors gain an over-all picture of a company from the purchasing department, Rex Paxton, director of public relations for Sutherland Paper Co., emphasized at Kalamazoo Valley P. A.'s January session. Paxton discussed public relations in purchasing.

H. P. Stratton, Miller Lumber Co., reviewed a business report of the Kalamazoo area.

about types of Union Boxes

your shipping container need?

protection your product needs.

Similar to the "Regular Slotted" is the "Center Special Slotted Container": Top and bottom areas are stronger; both inner and outer flaps meet at box center.

2. Special Flap Slotted Container

There are two kinds of "Special Flap" boxes. In one, the top and bottom flaps partially overlap. In the other (shown left) they overlap completely, providing double thickness at top and bottom. When strapped shut, flaps override each other, form snug, non-butting closure. If glued, adhesive covers full flap, assures extra safe, durable bond.

3. Half Slotted Container

Bottom is similar to Regular Slotted Container. Flanged cover is sent as a blank for set-up by shipper. Good as combination shipping shelf package. Without cover, used for batteries, other heavy, small items. Also, as a transfer file or stock box.

4. Double Cover Box

Ship heavy items where strapping is necessary? This three-piece box with telescoping covers might be just the ticket. Excellent stacking strength; strong covers take rough handling. Often used in large sizes for bulk packs on pallets.

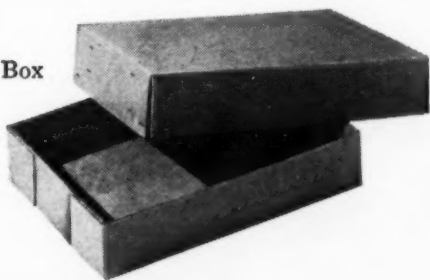
5. Telescope Box

You'll probably need a box like this if you ship flat items such as paper, books, advertising material, etc. It protects with a double build-up of sheet around sidewalls and corners which also gives you maximum stacking strength. May be constructed as a full telescope (see below) or as a partial telescope.

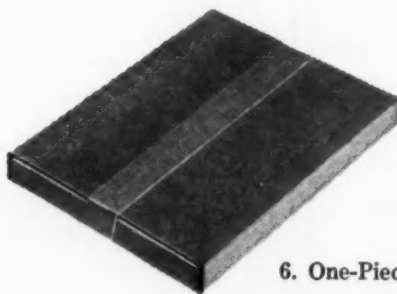
6. One-Piece Folder

Another excellent shipper for books, catalogs, etc. Packs and closes quickly and easily. Mostly used for parcel post and express shipments. Also made up as "One-Piece Special Folder" where all flaps meet in center.

5. Telescope Box



6. One-Piece Folder



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Western Division—4545 W. Palmer, Chicago, Ill.

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

330 West 42nd St., New York 36, N. Y.

Vol. 2, No. 6

February 9, 1959

Print Order This Issue 26,211

We Salute National Advertising Week

WE Americans give credit where credit is due. It's our way of life. Unfortunately, sometimes we slip up; but when we do, it is generally because of a failure to realize how much we depend on things to which we've become accustomed. Take newspapers. We're accustomed to reading them daily; we take them for granted. New Yorkers, though, found out the hard way how much they need newspapers when they didn't have them for three weeks several months ago.

Usually, however, we do not need a crisis to point up how much we need things. Take advertising, for example. Everyone reads advertisements: Everyone relies upon them for guidance. As a purchasing executive, you, of course, have the greatest need in the country for advertisements. Why? It's very simple, you and your counterparts control America's industrial pursestrings. That's why it's a pleasure to call to your attention the fact that right now, this week, we are observing National Advertising Week.

Industrial advertising performs a vital function. It renders a service of inestimable value to you because through advertising suppliers can explain and even show you how their products can help you and your company. These are the things in which every purchasing man is interested.

Ralph Waldo Emerson is credited with having said, "If you build a better mousetrap than your neighbor, the world will make a beaten path to your door." But as a purchasing man you know that before you "beat a path" to a supplier's door, you first want to learn a great deal about his product and him. And it's axiomatic that a prime source for this vital information is advertising.

Advertising and industry's need for it were born when competition came into being. This has been recognized for years. James H. McGraw, Sr., one of America's greatest editors and the man whose teachings inspired industrial growth, explained the role of advertising 32 years ago. In accepting the Harvard Advertising Award, he made some pertinent comments that are as up to date as your 1959 automobiles. He said:

"At each stage of the business situation advertising takes on new significance and new obligations. More and more, advertising becomes essential to the economical movement of goods, from industry to industry, from producer or merchant to consumer."

Mr. McGraw also recognized that as a buyer you are interested in many things. In this connection, he stated:

"There are such individual factors as company reliability, assurance or progressive product improvement through intelligent engineering or painstaking research, ability to assist buyers by prompt deliveries, competence of representatives to advise on use and applications of the product and on the condition of the market. There are a hundred respects in which firms differ from each other. All these affect the willingness of the buyer to take one manufacturer's product rather than another's, even though the products appear to be similar."

It all adds up to one thing: More and better advertising creates more and better buying. We're in favor of anything that's good for the industrial buying profession. That's why we'd like you to join us in a salute to National Advertising Week.

Your Follow-Up File

A Most Helpful Newspaper

Tacoma, Wash.

I don't know when I have taken time out to write a magazine complimenting it on its copy.

Several times I thought I did not need PURCHASING WEEK, that it came too often, and I did not have time to read it, but I have become interested in your editorial column and feature articles. I think it is one of the most helpful magazines that I receive, to say nothing of the market reports, which are very well written.

I do want to particularly compliment you on the editorials, as they are certainly to the point and are of great help in future planning.

R. S. Gruver

Purchasing Agent

Washington Hardware Co.

Look in Your Own Backyard

Dayton, Ohio

I have read your article, "While Others Talk, P.A.'s Act; Fight Daily Battle Against Higher Cost" (Jan. 19, p. 1).

Reading some of the statements in your article about a buyer squealing bloody murder because of a rise in prices, I wonder if that young man realizes that not only is he a purchasing agent, but the organization he represents is also a supplier. Have they kept their prices down?

As a matter of fact all these buyers screaming about higher prices—have they stopped and looked in their back yard.

Harold Samler

Purchasing Agent

Sucher Packing Co.

Lobby Displays Are Popular

Cleveland, Ohio

In PURCHASING WEEK, June 9, page 24, there was an interesting article concerning lobby displays at the Redmond Co. and at Western Electric, designed to encourage sales representatives' ideas for reducing costs of purchased items ("Redmond, Western Electric Seek Suppliers' Cost Cutting Ideas").

As part of our value analysis program, we also have a display in our reception room for this purpose.

It will be appreciated if you can give us the names of other companies that have similar displays. We would like to contact them and compare results.

G. J. Harsch

Standard Oil Co.

• We have sent additional names to Mr. Harsch. If you have such a display, we'd like to know about it.

Phone Numbers on Orders

Fort Wayne, Ind.

I would like to mention in passing a minor point that I believe should be brought to the attention of the purchasing profession in general.

Is there any reason why phone numbers should be omitted from purchase order forms? We find that the majority of purchase orders received by us do not include this information.

In contacting customers naturally we maintain complete records with phone data; however, it would make

it very simple to be able to pick up the purchase order and phone without referring to cross reference.

Admittedly this is a minor point but as a matter of curiosity, is there any reason why the phone number should not be included?

Perhaps this should be called to the attention of the purchasing profession in general.

Paul B. Lovegren

Sales Manager

Speakers and Capacitors

Magnavox Co.

Aircraft Exchange Query

St. Louis, Mo.

I understand that you published an article recently concerning an "airplane exchange" ("Plane Market Set To Open on Jan. 6," Dec. 8, p. 22).

Since no library in St. Louis carries your magazine, would you please send me the information contained in the article.

I would appreciate particularly the name of the person or organization in charge of this exchange so that we could contact him for detailed information.

Daniel Sacks

Small Business Council

• Write to Robert I. Helliesen, president, Aircraft Exchange, 522 Fifth Ave., New York, N. Y.

We Covered the Question

St. Louis, Mo.

We have been referred to an article in your issue of Jan. 20, 1958 called "Leasing Trucks Frees Your Working Capital" (p. 16).

At the present time we are considering the relative merits of owning our trucks or leasing them. It is our understanding that your article covers this question exceedingly well.

We would appreciate, therefore, two reprints of the article if available.

Harry L. Kaufer

Market Research

Shampaine Industries

Adding P.W. Story to Manual

Plainville, Conn.

Your issue of Jan. 26 highlighting the technique of value analysis ("Experts Aid Purchasing Men by Answering Pertinent Questions on Value Analysis," p. 12) is both timely and extremely valuable to those who subscribe to its tenets and practices.

I should like to include the cross section of answers given in your issue on pages 12 and 13 as part of our Purchasing Practices Manual covering the subject of value analysis.

Please let me know if 20 copies of page 12 and 13 are available.

August H. Schupp, Jr.

Materials Specialist

General Electric Co.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

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PURCHASING WEEK Asks You . . .

Do you think traffic should be a function of the purchasing department (responsibility for both incoming and outgoing shipments)? Why?



M. A. Kesten
Tropicana Products, Inc.
Bradenton, Fla.

"Traffic is a highly specialized field in itself and should be a completely separate department, although coordinating and cooperating with the purchasing department to expedite incoming shipments. The traffic department is more cognizant of the many routing and tariff changes than the purchasing department could ever hope to be. If a purchasing agent is to do a thorough job in keeping up with new products, interviewing salesmen, and purchasing necessary materials and equipment, he cannot take on the additional function of a traffic department by interviewing traffic personnel, routing incoming and outgoing shipments, and keeping abreast of tariff, and routing changes and regulations."

John Stenson
Eitel-McCullough, Inc.
San Carlos, Calif.



"This depends to a great extent upon the size and type of operation. In smaller companies where the bulk of the end product consists of purchased parts or raw materials, and the distribution of the finished product is relatively limited, it would appear that traffic should be controlled by purchasing. On the other hand, companies with complex national distribution problems, particularly of consumer products, would no doubt require either an autonomous traffic department or a traffic group reporting to marketing. Purchasing in the latter case should retain the right to recommend the carrier on purchased products."



R. L. Marks
Schenley Industries, Inc., New York

"Since most of our incoming material is routine and repetitive, a traffic man's service could not be used to the best advantage exclusively for purchasing. We have a general traffic section that handles traffic for all departments in our company. All matters relating to traffic are handled by the purchasing department on the advice and recommendation from this general traffic section. We find this system works most satisfactorily because we have the services of a competent and experienced traffic section at our disposal at all times. In my opinion, there would be no advantages in having traffic personnel in purchasing. A traffic section available to all departments within a company seems to be the most logical and efficient use of manpower."

L. J. Keyes
Dayton Rubber Co., Dayton, Ohio



"Because of the number of widespread plants and the highly diversified product lines at Dayton Rubber, we feel the traffic department should be a separate function. Traffic is a highly specialized operation that cuts across many organizational lines in a large company. Certainly, close cooperation between the traffic and purchasing departments is essential. However, the traffic function must also be coordinated with sales, production, and shipping operations. This service can best be performed by giving the traffic department all responsibility for incoming and outgoing shipments."



J. K. Parks
Metal & Thermit Corp., Rahway, N. J.

"Speaking of a medium or large size company where the volume demands that freight costs be closely controlled, the answer is no. Traffic to be properly handled requires special training and background. Personnel must be thoroughly conversant with all local and interstate regulations and tariffs for materials moving out as well as in. The purchasing department is only directly concerned with the inbound movement. Traffic can be a profit making function and, as such, should have the opportunity of standing alone. However, there is no reason against both purchasing and traffic coming under one administrative executive, but actual functions should be separated."

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Disposable Pallets Gain Wider Use To Reduce Storage, Handling Costs

Calaveras Cement Co. Adopts Them for Its Product; Olin Mathieson Chemical Is Shipping Bags Same Way

New York—Disposable pallets are gaining wider use in industry. More and more firms are using them to reduce handling costs and storage problems.

Calaveras Cement Co., San Francisco, announced last month its shipments of bagged materials will move on disposable pallets. At the same time Olin Mathieson Chemical Co. revealed it is shipping bundle bags via disposable pallets.

Calaveras' purchasing agent, B. B. Woodward, Jr., worked with his company's sales, pack house, and trucking departments in the development of the cement firm's pallet. The original idea was to come up with something for Calaveras' own use; but at it turned out, the company now has a new marketable product which will be offered to a variety of industries through a subsidiary, Calco Supply Co.

Weights 5 lb., Carries 5 Tons

Weighing only five pounds each, the pallets are made of wood reinforced corrugated paperboard. When stacked three high, each bottom pallet carries a load of five tons. Calaveras said tests showed that each pallet can handle up to 36 sacks of cement weighing 94 lb. each.

The cement firm's customers get the pallets without cost, freeing buyers from the industry's custom of furnishing their own conventional pallets with every load. The changeover saves on freight cost, ups pay loads by eliminating as much as a half ton of dead weight on every standard flat bed haul, and eliminates bothersome repair and breakage costs.

Dealers also benefit by being able to pick up, store, and de-

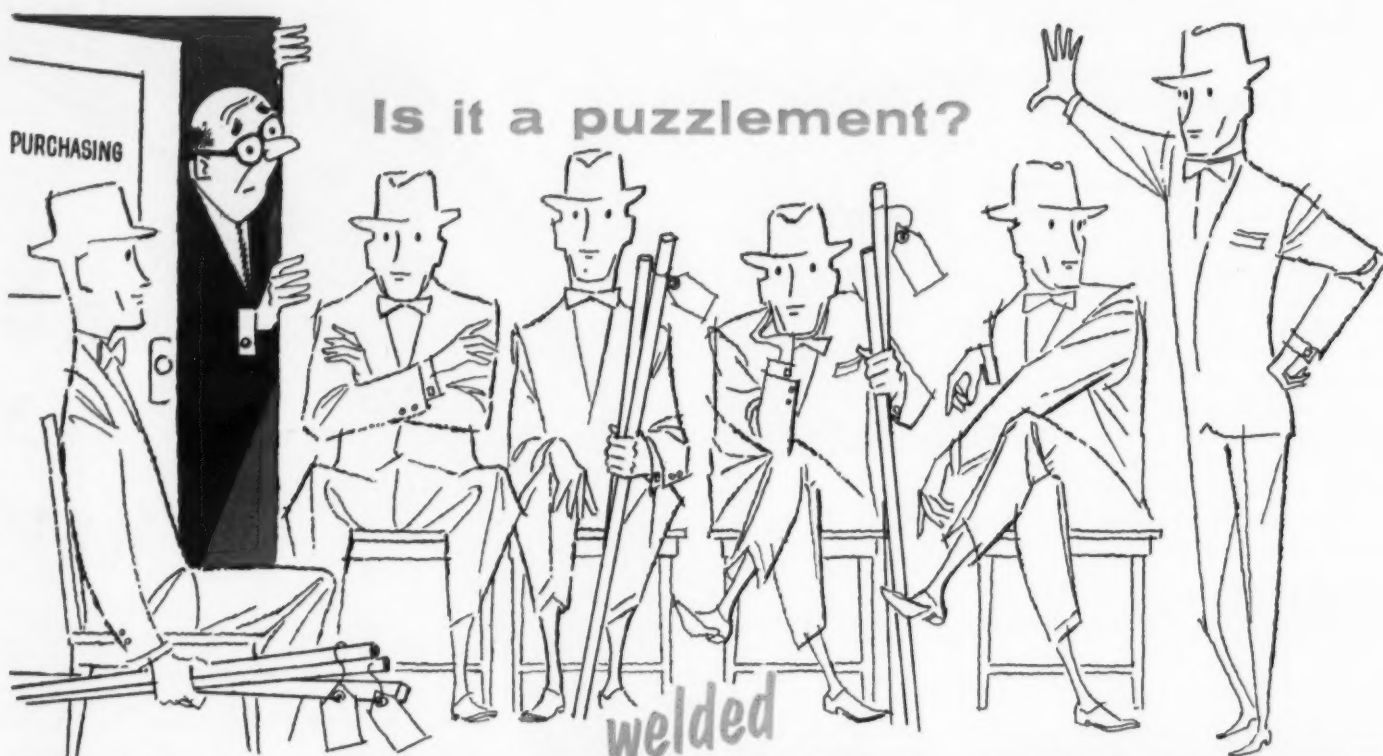
liver sack cement without maintaining their own pallets. Customer deposits also are eliminated.

Although designed for a specific industry need, Calaveras believes its pallets are equally adaptable to any other industry which ships bagged, sacked, or cartoned goods. They can be

used with standard fork lift equipment.

Customer demand also brought Olin Mathieson's use of disposable pallets for bundle bags. Heretofore, the company said, only baled bags were shipped on disposable units. Olin claims such palletized bags can be handled faster, stored more easily, and opened in less time than bags in wrapped bales. Pallets can be stacked three to four high and inventory is simplified.

EXPENDABLE PALLET, now used by Calaveras Cement Co., weigh only 5 lb. each and can be handled by standard 36 in. fork lifts.



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SIZE RANGE

In general, the industry offers Welded Carbon, Stainless Steel and other alloys in tubing sizes ranging from 1/8" to 6" O.D. in wall thicknesses from 3 to 25 ga. (B.W.G.).

ANALYSES

Welded Tubing is available in all weldable grades of Carbon, Stainless Steel and other alloys. Special metals are also available from some producers.

SHAPES

Welded Steel Tubing is generally available in round, square, and rectangular shape and in a myriad of special cross sections to order.

TYPES

Welded Steel Tubing can be broadly classified in the following categories of use: Structural, mechanical, pressure, corrosion-resisting, heat-resisting, sanitary, and ornamental.

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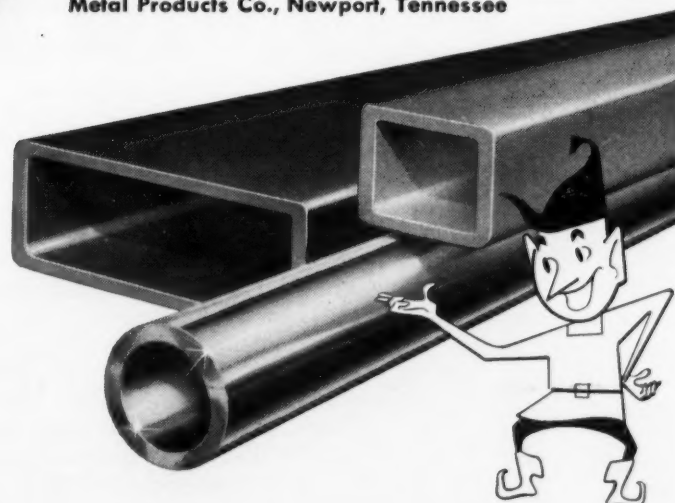
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Small Business Assured Of Additional Aluminum

Washington—Small business users of aluminum now are assured a bigger share—24,000 tons additional—of the metal on which the government has had first call under contracts dating back to the Korean War. The government has been diverting its supplies to private industry.

The 1950-51 contracts gave the General Services Administration a five-year lease on Aluminum Company of America's new production stimulated by government demand, and Alcoa also agreed to supply 25% of the new output to non-integrated users for a 15-year period at the end of the five-year term.

In 1957 Alcoa agreed to increase that allotment to 35% of the output of its new facilities. The contract change just negotiated specifically reserves the additional 10% for non-integrated users who qualify as small businesses.

The new agreement stems directly from House Small Business Subcommittee hearings last year which called on the industry and government to assure small aluminum users of an adequate supply.

Meetings You May Want to Attend

First Listing

National Association of Purchasing Agents, 2nd District—13th Annual Southwest Purchasing Conference, Tulsa, Sept. 24-25.

Packing Machinery Manufacturers Institute—1959 Show, Coliseum, New York, Nov. 17-20.

FEBRUARY

University of Wisconsin, Management Institute—Purchasing Workshop (Purchasing Techniques), Madison, Wis., Feb. 10-12.

Purchasing Agents Association of Alabama—Annual Seller-Buyer Dinner, Dinkler-Tutwiler Hotel, Birmingham, Feb. 12.

American Management Association—Workshop Seminar, (two sessions), Organization and Management of the Purchasing Department, Hotel Astor, New York, Feb. 9-11 and March 18-20.

Purchasing Agents Association of St. Louis—St. Louis Products Display, Sheraton-Jefferson Hotel, St. Louis, Feb. 12-13.

Purchasing Agents Association of Chicago—25th Annual Products Show, Morrison Hotel, Chicago, Feb. 17-19.

National Canners Association and Canning Machinery and Suppliers Association—Joint Annual Convention and Exposition, Conrad Hilton Hotel, Chicago, Feb. 20-23.

MARCH

The Lighting, Lamps and Electrical Manufacturers Salesmen's Association—2nd National Lighting Exposition, Coliseum, New York, March 1-4.

American Society of Mechanical Engineers—Gas Turbine Power Conference and Exhibit, Netherlands-Hilton Hotel, Cincinnati, March 1-5.

Los Angeles Chamber of Commerce—2nd Western Space Age Conference and Exhibit, Great Western Exhibit Center, Los Angeles, March 5-7.

American Management Association—Workshop Seminar, Organization and Management of the Purchasing Department, La Salle Hotel, Chicago, March 16-18.

American Society of Metals—11th Western Metal Exposition and Congress, Pan-Pacific Auditorium and Ambassador Hotel, Los Angeles, March 16-20.

Purchasing Agents Association of Indianapolis—1959 Indiana Industrial Show, Manufacturers Building, State Fair Ground, Indianapolis, March 18-20.

APRIL

1959 Nuclear Congress—Public Auditorium, Cleveland, April 5-10.

American Welding Society—40th Convention and Exposition, Hotel Sherman and International Amphitheatre, Chicago, April 6-10.

American Management Association—National Packaging Exposition, International Amphitheatre, Chicago, April 13-17.

29th Annual Safety Convention and Exposition—Hotel Statler, New York, April 13-17.

American Society of Tool Engineers—Annual Meeting, Schroeder Hotel, Milwaukee, April 18-22.

Instrument Society of America—Southeastern Conference and Instrument Show, Gatlinburg, Tenn., April 20-22.

22nd Annual Pacific Northwest Purchasing Agents' Conference—Co-sponsored by the British Columbia, Oregon and Washington Purchasing Agents Associations, Olympic Hotel, Seattle, April 24-25.

MAY

American Steel Warehouse Association—50th Annual Convention, Drake Hotel, Chicago, May 3-6.

Institute of Radio Engineers—7th Regional Conference and Trade Show, University of New Mexico, Albuquerque, May 6-8.

National Association of Educational Buyers—Annual Convention, Hotel Fontainebleau, Miami Beach, Fla., May 11-13.

Triple Industrial Supply Convention—Dallas, May 13-15.

International Petroleum Exposition and Congress—Tulsa, May 15-24.

National Office Management Association—Office Machinery & Equipment Exposition, Municipal Auditorium, New Orleans, May 25-28.

JUNE

National Plumbing and Heating Exposition—Exposition Hall, Miami Beach, Fla., June 1-4.

Fifth World Petroleum Congress Exposition—The Coliseum, New York, June 1-5.

Canadian Association of Purchasing Agents—34th Annual Conference, Banff, Alberta, June 5-7.

The Material Handling Institute—1959 Exposition, Public Auditorium, Cleveland, June 9-12.

National Association of Purchasing Agents—44th Convention and Inform-A-Show, Waldorf-Astoria Hotel, New York, June 14-17.

SEPTEMBER

National Association of Purchasing Agents, 1st District—13th Pacific Intermountain Purchasing Conference, Claremont Hotel, Berkeley, Calif. Sept. 25-26.

National Association of Oil Equipment Jobbers—Annual Convention and Trade Show, Hotel Leamington, Minneapolis, Sept. 27-29.

OCTOBER

National Institute of Governmental Purchasing—14th Annual Conference and Products Exhibit, Hotel Sheraton Cleveland, Cleveland, Oct. 11-14.

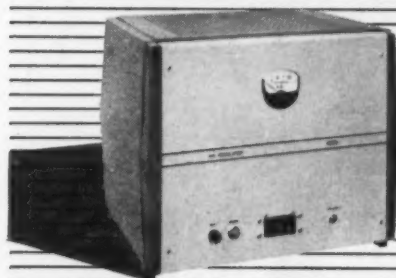
List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of *Purchasing Week* to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

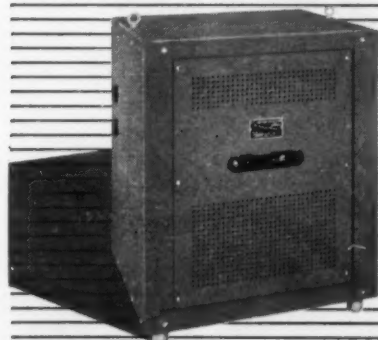
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NEW IDEAS IN PACKAGED POWER

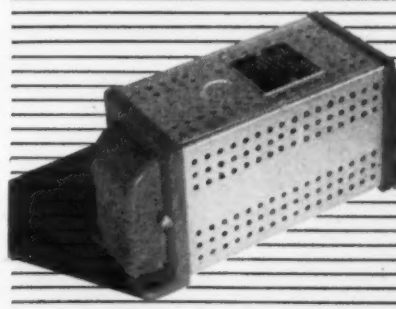
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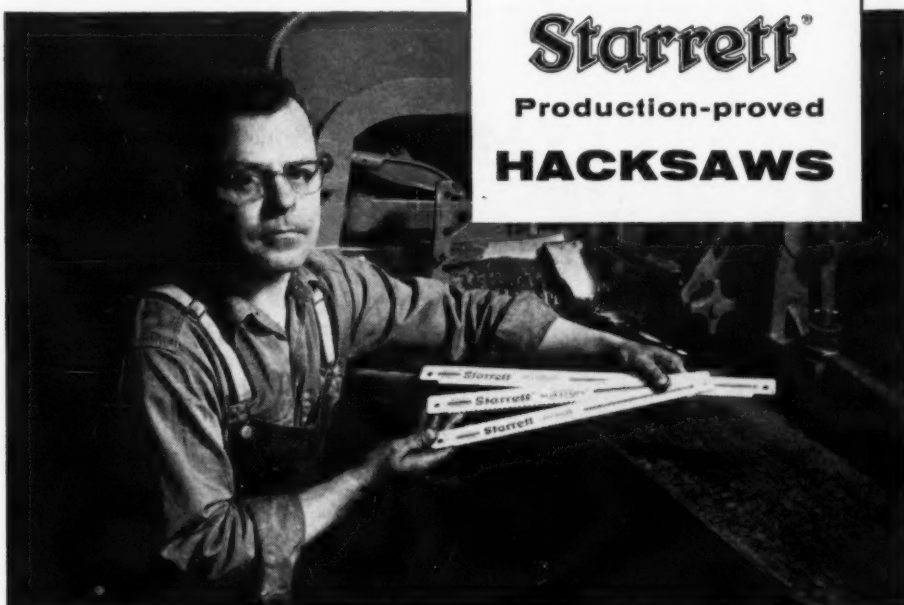
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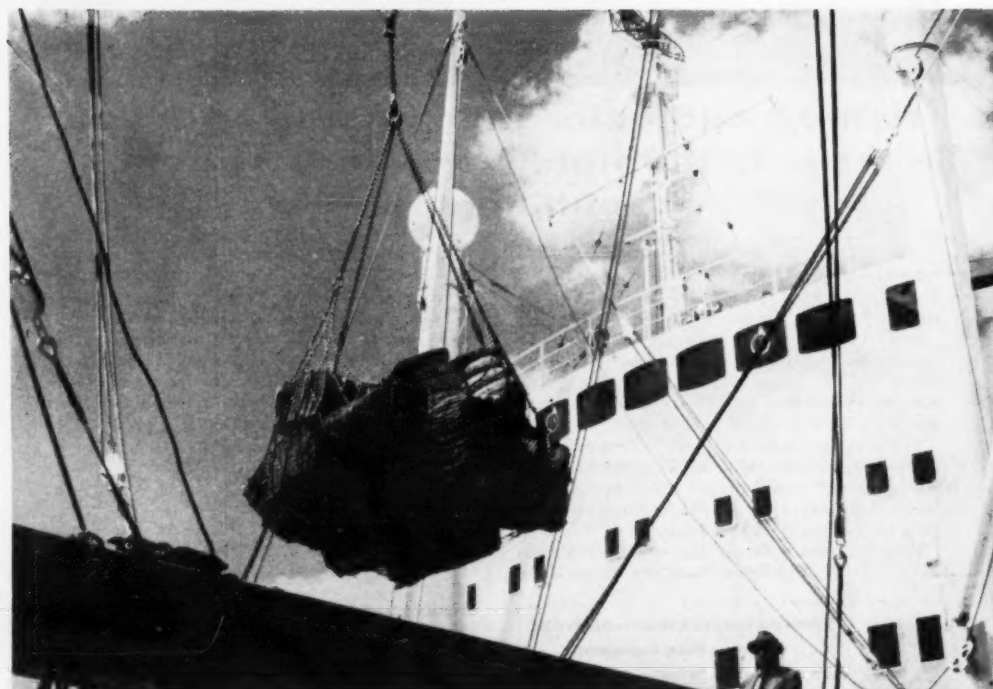
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Containerization Provides the Key



BOX CARS are still mainstay in rail freight hauling. But shipping containers are threatening to derail these "oldtimers" by vastly reducing the handling time and the costs.



CARGO SLINGS are also giving way to containers. Experts say a low-cost package of rail, truck, water, and air shipping is on the horizon—all through containerization.

to Integrated Transportation



1. ECONOMICS of containerized shipping can be demonstrated by following new Seamobile Service from door-to-door. Here container is loaded at vendor's plant.



5. FLEXI-VAN SERVICE, New York Central R.R.'s "piggyback" operation, highlights rapid growth of containerization. It parallels Seamobile's "fishyback" service.



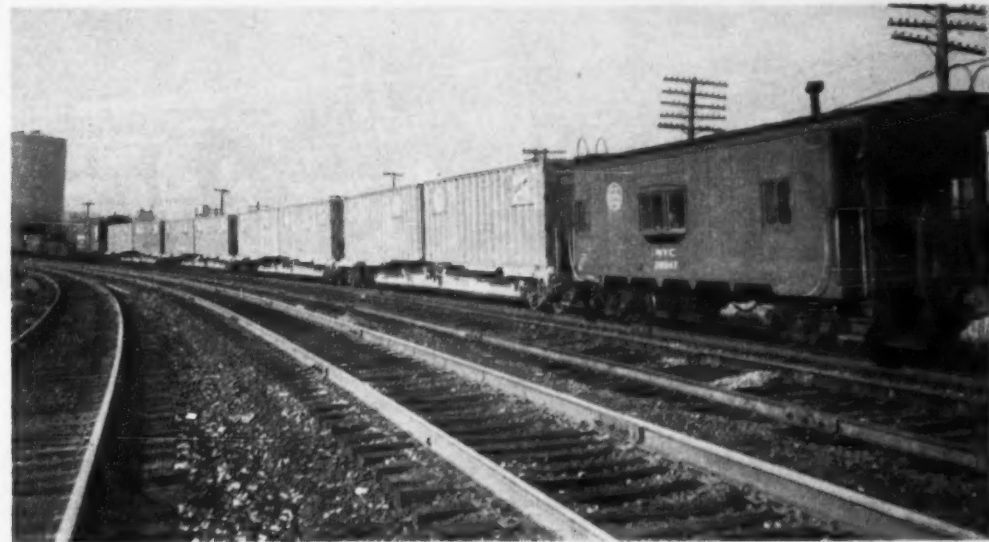
2. CONTAINER is sealed until arrival, greatly reducing loss and damage claims. Unit load is hauled to port by truck tractor and lifted onto a "container ship."



6. AFTER BEING LOADED, container is hauled from vendor's plant to rail yard and rolled on a flatcar. As shown, one man can perform this "loading" operation.



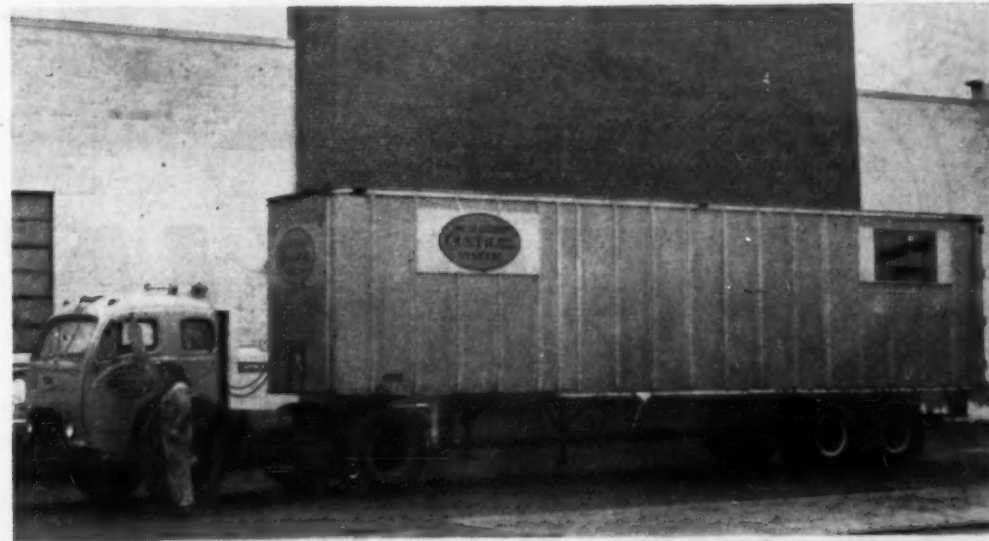
3. SMOOTH SAILING with no "traffic jams" speeds needed materials through coastal waters to customer. Containers tied securely below deck, suffer little buffeting.



7. ALTHOUGH LAST IN LINE, material in containers is likely to reach destination first. Material in cars headed for off-rail plants will be delayed in handling.



4. ARRIVING AT DESTINATION, container is again taken by truck tractor to customer's plant and unloaded. This is only second time material is handled in transit.



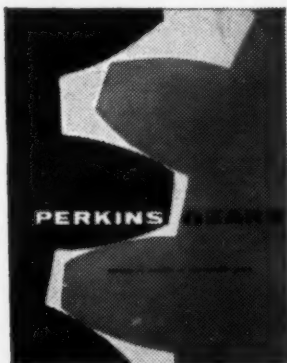
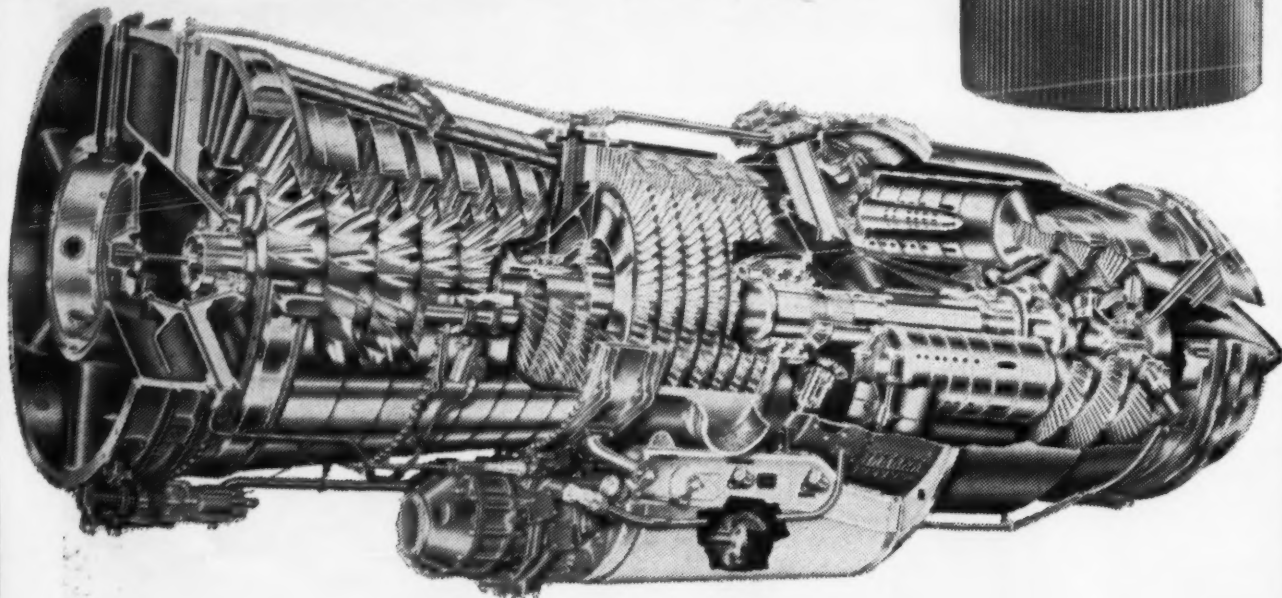
8. SPEEDY ARRIVAL at plant door is important advantage of containerization. Project is underway to standardize pallet, van, and cargo containers to enlarge benefits.



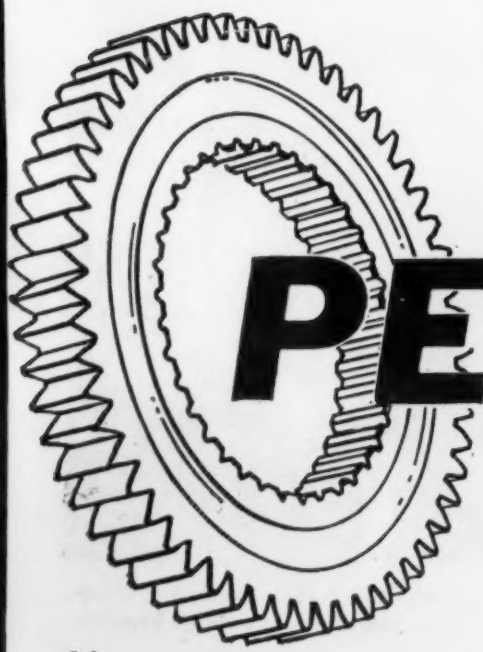
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Purchasing Week



FORUM MEMBERS, left to right, Albert A. Kreig, American Cyanamid Co.; Joseph A. Dobson, General Foods Corp.; and James A. McAleer, General Electric Co., discuss techniques at New York P.A. Meeting.

Forecast Techniques, Buying Tools Spotlighted at New York P.A. Meet

New York—Forecasting techniques and buying-decision tools held the spotlight at the Purchasing Agents Association of New York at its January meeting held recently.

Knowing available material is paramount in charting and forecasting techniques, Albert A. Kreig, purchasing research analyst, American Cyanamid Co., told P.A.'s at a forum. He said government publications, business papers and magazines, and company facilities are excellent sources.

Survey a P.A.'s Tool

The N.A.P.A. National Business Survey, which is a monthly cross section of industries and areas, could fit into everyday purchasing functions, Chester F. Ogden, vice president, Detroit Edison Co. and general chairman of the N.A.P.A. business survey committee, told members attending the dinner session of the association.

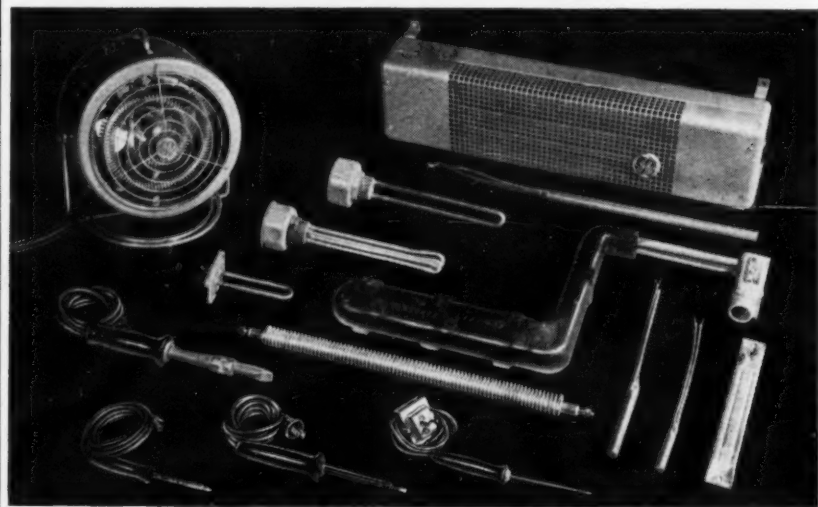
Information on inventory lev-

els, purchasing plans, and new business prospects gained in the survey could act as a guide to purchasing plans, Ogden said. He cautioned P.A.'s not to accept one source but to study all available data before deciding on purchases.

Cooperative effort of all departments is needed to form a company communications program, James A. McAleer, economic research and reports consultant, General Electric Co., a panel member with Kreig, told the forum audience. McAleer reviewed company and vendor booklets.

Company manuals are produced to give employees a guide to their every day tasks, McAleer said. He added it was important to keep them active and up to date.

McAleer said vendor booklets serve a two-fold purpose: inform salesmen of purchasing policies and create good will between vendor and the company doing the purchasing.



CUT COSTS—LOCAL STOCKS AVAILABLE

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GENERAL ELECTRIC

February 9, 1959

P.A. Associations Offer Assistance To 2 Criticized State Departments

New York—Purchasing organizations composed essentially of industrial purchasing executives are offering to help reorganize two oft-criticized state purchasing departments, in Washington and Georgia.

At Seattle, the Purchasing Agents Association of Washington advised Gov. Albert Rosellini and Charles W. Hodde, new chief of the state's Department of General Administration, it is available to aid in the Washington situation. Recent charges of favoritism and other "irregularities" against that state's purchasing division resulted in the resignation of Hodde's predecessor and the discharge of the state supervisor of purchasing (P.W., Jan. 12, p. 1).

Georgia P.A.'s Offer Help

At Atlanta, the Purchasing Agents Association of Georgia made a similar proposal to help redraft that state's purchasing division. William R. Bowdoin, the Atlanta banker who took over as Georgia's state purchasing agent Jan. 13, already has indicated he will accept the offer.

Rumblings from the Washington purchasing investigation still are being heard—with the issue bouncing somewhat like a political football.

Grand Jury Investigation

One county Republican leader urged a grand jury investigation. The state Senate approved a resolution praising Governor Rosellini for his "prompt clean up" of the purchasing division. Republican legislators, meanwhile, have introduced a resolution calling for a legislative investigation.

Rosellini, in his first address to the law makers, announced new legislation regulating state purchasing will be submitted to the current session of the state legislature. The proposed laws will be based upon recommendations prepared by a Baltimore, Md., firm of industrial consultants, John Donaho & Associates, which has been studying the state's purchasing setup since early last December.

New Buying Rules in Effect

Effective last Monday, a new set of buying rules went into effect on order of Hodde, the state's general administrator. The new rules require that sealed bids be received on all state purchases for more than \$300 except in emergencies and other unusual circumstances. Firms which have indicated a desire to sell to the state have been mailed applications on which they must give detailed information as to ownership, financial matters, and products handled. No firm can submit a bid until it has filled out the application form and proved its financial responsibility and ability to deliver the goods.

Firms within the state will be favored over out of state companies, as will firms in the vicinity of the institution for which goods are being purchased. All bid invitations will be on file.

In Georgia, the new state purchasing agent is expected to reorganize completely the purchasing system which has been under

constant fire from grand juries, legislative committees, and the press during the last four years (P.W., Dec. 29, p. 1).

At the Georgia Purchasing Agents Association's January meeting, president James T. McDonald announced that although the organization usually "steers clear of politics," an offer of full assistance, cooperation, and advice "of all our members" had been made to Bowdoin.

P.A.'s, Salesmen Volley Views at M.H.S. Meet

Buffalo, N. Y.—Purchasing agents and salesmen participated in a lively exchange of viewpoints regarding buying and selling techniques at the January meeting of the Niagara Frontier Chapter of the Materials Handling Society. P.A.'s and salesmen from the Buffalo area attended the meeting, which departed from the usual practice of presenting technical discussions.

William H. Oliver, manager of the Buffalo plant of American Standard Corp., moderated the discussion panel. Purchasing

agents participating in the program included:

Lyman Davis, Electro Refractories & Abrasives Corp., president of the Purchasing Agents Association of Buffalo; Michael Centanni, Keystone Chromium Corp.; Thomas Carol, Beacon Electric Co.; and Paul F. Ash, Hewitt-Robins, Inc.

Metropolitan Purchasers Hear Parise in Course

New York—Use your imagination was the advice given by Thomas Parise, purchasing agent for Allen Industries, Inc., Rahway, N. J., to members at the

Metropolitan Purchasers Club.

Conducting the second session of the club's purchasing course, on administration of the purchasing function, Parise further advised: "Don't be afraid to admit your ignorance." Fellow purchasing agents, he said, are a friendly lot and you can always call on them for help.

Parise discussed purchasing controls and procedures covering purchasing manuals, purchasing procedures, vendor relations, and reports. He also touched on the position of purchasing in the organization and dealt with sources of supply, records, cost analysis, make or buy, quality control, etc.

New high capacity V-belt revolutionizes drive design



Makes drives far more compact... cuts cost as much as 20%

Here is a major advance in the field of power transmission — the fully proved Gates Super HC V-Belt, developed in the world's largest belt-testing laboratories at The Gates Rubber Company.

The Gates Super HC V-Belt makes possible the lowest-cost, lightest-weight, most compact multiple V-belt drive that can be put on any machine! Sheave diameters can be reduced up to 50%, sheave widths 30% to 50%, center distances 20% and more.

On new drives, the cost of a Gates Super HC V-Belt Drive is as much as 20% less than present V-belt drives of the same horsepower capacity.

Learn more about the cost-saving Super HC Drive

For detailed information on the Super HC Drive, contact your nearby Gates distributor or Gates Office for new booklet, "The Modern Way to Design Multiple V-Belt Drives."

For utmost space, weight and dollar savings in new drives or drive replacements, specify Gates Super HC V-Belts and Sheaves. Stocks immediately available in principal industrial centers.

How savings multiply with Gates Super HC V-Belt Drive

Cost of a new Gates Super HC V-Belt Drive is as much as 20% less than cost of a drive of comparable horsepower using present V-belts. In addition to the lower cost of the drive itself, further economies are realized on housings and bases — economies in materials, production time, shipping costs.

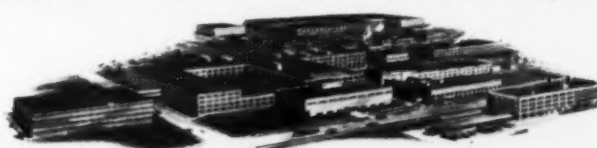
Shown below are space savings of a typical installation...

	DriveR Sheave Diam.	DriveN Sheave Diam.	Center Distance	No. of belts
Present Drive	7.4"	20.0"	42.9"	4
Super HC Drive	5.3"	14.0"	30.0"	3

The Gates Rubber Company, Denver, Colorado • Gates Rubber of Canada Ltd., Brantford, Ontario



World's Largest Maker of V-Belts



Gates Super HC V-Belt Drives

Are You a Purchasing Agent? Just a Potential?

Here are ten situations that confront purchasing agents. You may have faced several, all, or variations of these situations. What course of action did you take? Did it prove to be the best one for the situation in each case?

While all these situations are hypothetical, they are typical ones facing P.A.s in various facets of their work. The best course of action for each situation is based on views of purchasing experts, top management, and others as expressed in PURCHASING WEEK at various times.

There is a choice of three decisions, or courses of action, for each situation. One is 'correct'. Place your "X" opposite the decision you believe to be the best for each situation. Score yourself ten points for each correct decision. Rate yourself as follows:

- 100 . . . You are a purchasing executive
- 80-90 . . . You are a potential purchasing executive
- Under 80 . . . You need more seasoning in the purchasing field

SITUATION 1

The vice-president of your company tells you to cut back inventories from normal 60-day to 30-day supply. He says he does not want to take this action, but working capital is temporarily very tight.

- A. Protest that plant may run out of material. _____
- B. Cut back as directed, promptly and without question. _____
- C. Suggest a brief postponement while you investigate alternative plans such as field warehousing, deferred payments, etc. _____

SITUATION 2

The plant engineer requisitions cable conduit for an expanded area in factory. Need is not immediate.

- A. Get bids and send order to low bidder. _____
- B. Investigate whether an open type (or self-supporting) cable support system could do job at less cost. _____
- C. Promptly send order to your favorite mill supply house. _____

SITUATION 3

You take over top purchasing position in a company where the sales department has obtained product packaging and display materials directly through the company advertising agency. Purchasing does not enter these transactions.

- A. Allow this by-pass situation to continue as your department is busy on other matters. _____
- B. Ask sales manager for opportunity to secure quotes on his next requirements to allow comparison with those of agency. _____
- C. Protest to executive vice-president that all purchasing should be done through purchasing. _____

SITUATION 4

You are in charge of purchasing and traffic at your company. The comptroller (your boss) asks you if anything can be done to lower freight costs.

- A. You say 'no'. You state you already use lowest cost

- C. Suggest a policy of larger inventories to permit more rail shipments. _____

SITUATION 5

A plant-wide orientation program is started by management in your company. Various department heads are to conduct employee meetings to explain their department operations. Attendance is voluntary.

- A. You would be first to sign up to attend meetings. _____

- B. Not attend—you feel time could be better used in purchasing matters to polish skills of purchasing technique. _____
- C. Attend some to give appearance of interest. _____

SITUATION 6

Your boss (V.P.) calls you into his office and says he has read in a management publication of value analysis as used by many companies and of the big payoff.

He asks if a V.A. program could be profitably used at your plant or factory.

- A. Tell him V.A. is for big companies only. _____
- B. Tell him you would apply V.A. in future buying. _____
- C. Tell him you would check with other P.A.'s and Purchasing Associations to check for experience with V.A. in purchasing and report back shortly with a proposal on the subject. _____



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... the true measure of savings
on materials you buy for your
production is the cost-per-piece
produced.*

Call your Norton Man — he has the experience, the products, and knows how to save you money where it counts. There's a Norton expert in the fields of — abrasives . . . grinding machines . . . refractories.

One? Or Do You Need More Seasoning?

SITUATION 7

Your company president asks you to make a written report comparing significant purchasing data between leading competitors and your own company. He is interested in such points as ratio of cost of materials to gross sales, etc. As step one in preparing such a report . . .

A. Ask him who are leading competitors and where could you get information on them.

B. Contact P.A.'s of other companies in industry for information.

C. Secure list of competitors from your sales manager, and check their financial statements in such industrial reference sources as Moody's Manual, Standard & Poor, etc. Also, talk with salesmen contacting your competitors. They may have some information that isn't confidential.

SITUATION 8

Company engineers have obtained bids on items on which they also asked you to get prices. They receive a lower bid than you do. Their low bid source is from a vendor known by you to be unreliable.

A. You allow order to be placed with unreliable vendor to "show up" engineers when late delivery becomes a problem.

B. Get in more bids and tell

some vendors of low quote to allow yourself to get bid lower than engineers.

C. Tell engineers exactly why vendor they have selected is unreliable and suggest order placement with next best bidder.

SITUATION 9

An excellent supplier of a hard-to-get item has asked for and received your permission to deliver to you via a trucking firm of his

designation. You are aware that another trucker could deliver for slightly less. Your traffic department protests that cheapest shipping routes only are to be used.

A. You tell traffic you have right to designate incoming shipments and suggest a mutual boss referee dispute.

B. Give in to traffic to keep peace, and so risk loss of supply source by cancelling permission to use own shipper.

C. Explain to traffic why loss of supplier would be costlier than small difference in shipping costs under dispute.

SITUATION 10

Every two years your company buys about 60 cars for your field salesmen under a fleet plan from a local distributor. The cars are then driven, or otherwise delivered, to salesmen in various parts of the country. Delivery of the cars has become costly and troublesome, and the president asks if you know of any possible better ways to handle the fleet car set-up. (He makes it clear he doesn't want salesmen to buy their own cars.)

A. You suggest investigation of car leasing and of fleet management specialists.

B. Try to convince him that it is best for salesmen to buy own cars.

C. Tell him the present method is good and you will do everything to keep delivery costs down.

(See Answers on page 21)

Cost-Cutting Aid Asked of Suppliers

Los Angeles—In a move to trim costs on its military supersonic aircraft jet programs, Northrop Corp. invited key executives of 165 supplier firms to a two-day symposium for pooling ideas.

Because suppliers' products will account for about 60% of the direct cost of the T-38 Talon Air Force trainer, Northrop feels that substantial savings are possible if vendor firms utilize advanced cost reduction methods in their own plants.

Close Cooperation Needed

Calling for closer cooperation and exchanges of ideas, Richard R. Nolan, Northrop vice president, described the company's Target Cost System developed by his staff. Northrop's T.C.S. requires each department involved in development and production of new aircraft to provide cost information so that a target cost for each major part is met in every stage from preliminary design to final assembly.

The system is described as a "line operation in direct support of design groups." It is company-wide and consists of established groups in engineering, manufacturing, materiel, and contract pricing working as a coordinated team to predict and control costs so that "the end product will meet the performance requirement and will sell for what the customer agreed to pay."

You can
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greater
savings
than you
can buy.

The economic truth of the above statement applies to all manufacturing and is especially true in grinding wheels.

There are less expensive grinding wheels than Norton wheels — and on the invoice they may look like a bargain. But if the wheels purchased fail to perform efficiently on the production line or incur production delays because of poor quality or misapplication — a higher cost of production is the price actually paid.

In brief, *the true measure of grinding wheel value is not how much you paid for it — but how much you get from it. Here is what you can get from Norton* —

Norton Company gives you the most advanced research engineering and manufacturing facilities in the entire abrasive field — and you get this great scope of detailed knowledge on a personal basis — your Norton Man.

Your Norton Man starts his career by spending a minimum of 1 year in a carefully planned training course in the Norton plant and a comparable period of training in the field. The Norton Man has an average of 15 years abrasive experience in addition to the specialized training. He is the most knowledgeable man in abrasives that you can consult. He is your consulting abrasive engineer.

He will make a free Abrasive Requirement Study for you. This study lists the correct specifications for each abrasive job in your plant to assure you lowest cost-per-piece produced. He is also available for complete field testing on specific problems.

For example, your Norton Man can save you money by pointing out ways to better wheel usage and fewer wheel changes. He can also be of great help to you in your pre-production purchase analysis and value analysis. He has the widest selection of grinding wheels in the industry to help him select the perfect wheel for new product grinding operations and improving your current grinding jobs — both at the lowest cost. And with Norton grinding wheels you can be sure of precise duplication order after order.

Norton offers true abrasive economy. Economy that pays off in lower cost-per-piece produced. Call your Norton Man. NORTON COMPANY, General Offices, Worcester 6, Massachusetts.



MAKING BETTER PRODUCTS TO
MAKE YOUR PRODUCTS BETTER

W-1890

Foreign Perspective

FEBRUARY 9-15

Vancouver—Aluminum Company of Canada's refusal to sell \$1 million worth of the light metal to Red China has aroused a storm of protest.

Fight stems around the charge that United States is controlling Canadian policy. One frustrated exporter in a telegram to the Canadian government intimated that John Foster Dulles is determining Canadian foreign policy.

Political repercussions already are being felt.

In Ottawa, Opposition Leader Lester Pearson asked the Conservative Government for assurances that no United States pressure was involved in the Aluminum Company of Canada's refusal to make the sale. Pearson earlier said he believed ALCAN is under U. S. control.

Canadian Trade Minister Churchill, handling the official government viewpoint, refuses to take sides. When queried, he replied he could not give a complete answer without a full investigation of the matter.

London—Price and production trends remain two big question marks in the near-term British business picture.

P.A.'s are having to assess economic trends for themselves in view of con-

flicting guidance from the economic pundits. The 1959 economic pointers so far have provided no clear indication of what's ahead.

Take the U.K. industrial scene. British recovery this year could have a strong impact on world commodity prices. **To date, however, no definite upward trend has emerged.**

Latest official statistics don't encourage the belief that British industrial recovery is imminent. Production index for December, for example, showed a little change from the preceding month. Private investment, too, still seems to be lagging.

The government, meanwhile, is being ultra-cautious. Next big date for Britishers is the April budget. By then the year's economic pattern should be taking shape.

If there are still too many minus signs you can anticipate some big measures to help prop up the economy.

Bombay—Despite all the recent headlines, India remains married to the West as far as economic and business dealings are concerned.

Statistics on 1958 trade reveal that an overwhelming 94.5% of her trade is with non-Communist countries. This is little changed from previous year when 95.3% of trade was non-Red oriented.

Result: The basic trade pattern remains unaltered, and the U.K. and America remain India's chief trade outlets.

The one significant fact about India's Red trade is that its imports and exports are roughly balanced. Trade with the West, on the other hand, is in a more precarious state, with imports exceeding exports.

Aluminium, Ltd., Buys Into Can Business

Montreal—Aluminium Ltd. has entered the aluminum can business with its purchase of a share of a leading European can firm.

Aluminium Ltd. and Fabrique d'Emballages Metalliques S.A., Fribourg, Switzerland, are merging common interests in the European and overseas aluminum can market.

The Swiss firm is the only manufacturer in the world devoted solely to production and sale of aluminum cans. It has plants in Switzerland, France, and Holland. Aluminium Ltd., through associate firms in Norway, Germany, and Denmark, has developed the market for aluminum cans in these areas.

F.E.M. has introduced aluminum for packing of milk powders, coffee, milk, and custard products, aerosol containers, and beer cans. The newest use is French mineral waters which are shipped in aluminum cans instead of usual glass containers to European and North African markets.

British Fiber Manufacturer Bids on 2 Packaging Firms

London—Courtaulds, Ltd., man-made fiber manufacturer, has stepped up its diversification program with a bid to buy two British packaging firms.

Courtaulds, through its subsidiary Baring Brothers, has offered Reads, Ltd., metal containers, which has a know-how agreement with American Can, \$4.2 million and Pearlite Box Co., wax impregnated cartons, \$560,000. Reads' assets total only \$3 million, but financial circles say Courtaulds' offer was made because of Reads' American Can connections.

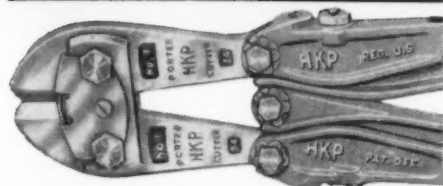
During the past year, Courtaulds has bought an aircraft dope manufacturing firm and a company making metallic capsules for bottles.

Red China Cotton Sales Hurting Japanese Most

London—Japan is suffering most from Red Chinese penetration of world markets in cotton cloth. So says the British Cotton Board's quarterly statistical review. It also notes that despite economic recovery, notably in the United States, Free World cotton industries remain in a depressed condition.

Non-Communist exports of cotton piece-goods in the third quarter of 1958 dropped 8% from the previous quarter, and were 18% less than the similar 1957 period.

THERE'S A



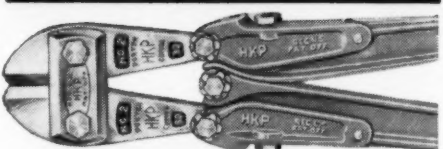
The PORTER CENTER-CUT CUTTER — in 6 sizes, for cutting up to 3/4". Our most popular tool. Ideal for general free cutting of soft and medium hard steel. Other models for HARDER METALS.

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A P.W. Profile

Champion Paper & Fiber Co. P.A. Randolph Goodman Raises Afghans

It all started with an innocent telephone call from a friend one night.

"Nanky," said the friend to Randolph (Nanky) Goodman, a Houston purchasing agent, "You want a dog? Before you say no, let me tell you this is a fine animal. They call 'em Afghans. You know the kind, he's got a topknot on his head. In the fashion magazines you see 'em posing with models."

The friend explained he had two Afghans who fought bitterly. Would Nanky take one to keep peace in the family?

In the Market for a Dog

"Our fox terrier had died," recalls Goodman, now purchasing agent for the Texas Division of Champion Paper & Fiber Co., Pasadena, Texas, "And my wife Arttiste and I were in the market for a dog."

So the Goodmans took in a ten-week-old pure-bred Afghan named Alpha.

Today, ten years and perhaps 20 or more Afghans later, the Goodmans swear by the needle-nosed, regal aristocrat of the dog world whose ancestry dates to 3000 B.C.

"Despite the prissy-looking, silky topknot, there's nothing soft about this animal," says Goodman.

"He's an excellent watchdog, fiercely loyal, and very intelligent," he adds. "Often he'll give you the impression he's looking down his long nose at you scornfully."

The Afghan, says Goodman, was used primarily as a hunting dog in the Near East. He's still used to hunt deer and antelope in the Western states.

The Goodmans keep their five Afghans, including ten-year-old Alpha, in modern kennels in the backyard of their half-acre home-site in fashionable Bellaire, a suburb of Houston.

Their latest buy was Pamel el Chante, from Guadalajara, Mexico. The Goodmans paid \$150 for her, and "we met her when she arrived at the airport," says Mrs. Goodman.

Pam, as the baby, has the run of the household. Afghans have no odor and require only about two baths a year if they are brushed regularly.

Rewarding but no Picnic

Raising Afghans is rewarding but no picnic, says Goodman. For instance, Shalus, prematurely born after the mother underwent a Caesarean, was bottle-fed on goat's milk for three weeks at 3-hr. intervals.

She was the only survivor of the litter of eight.

Several of the Goodman Afghans have scored in dog shows

on the Southern circuit. Their Shalus has won points at Port Arthur and Chattanooga; Rudanah, a six-year-old blonde, has scored at Austin, Beaumont, Port Arthur, and Houston.

Rudanah is champion material, says Goodman, "but there just aren't enough shows around here for him to compete in."

Goodman joined Champion

Paper five years ago. He heads a nine-man purchasing operation and buys from \$10 million to \$12 million worth of materials annually.

He is a native of Houston and a graduate of the University of Texas.

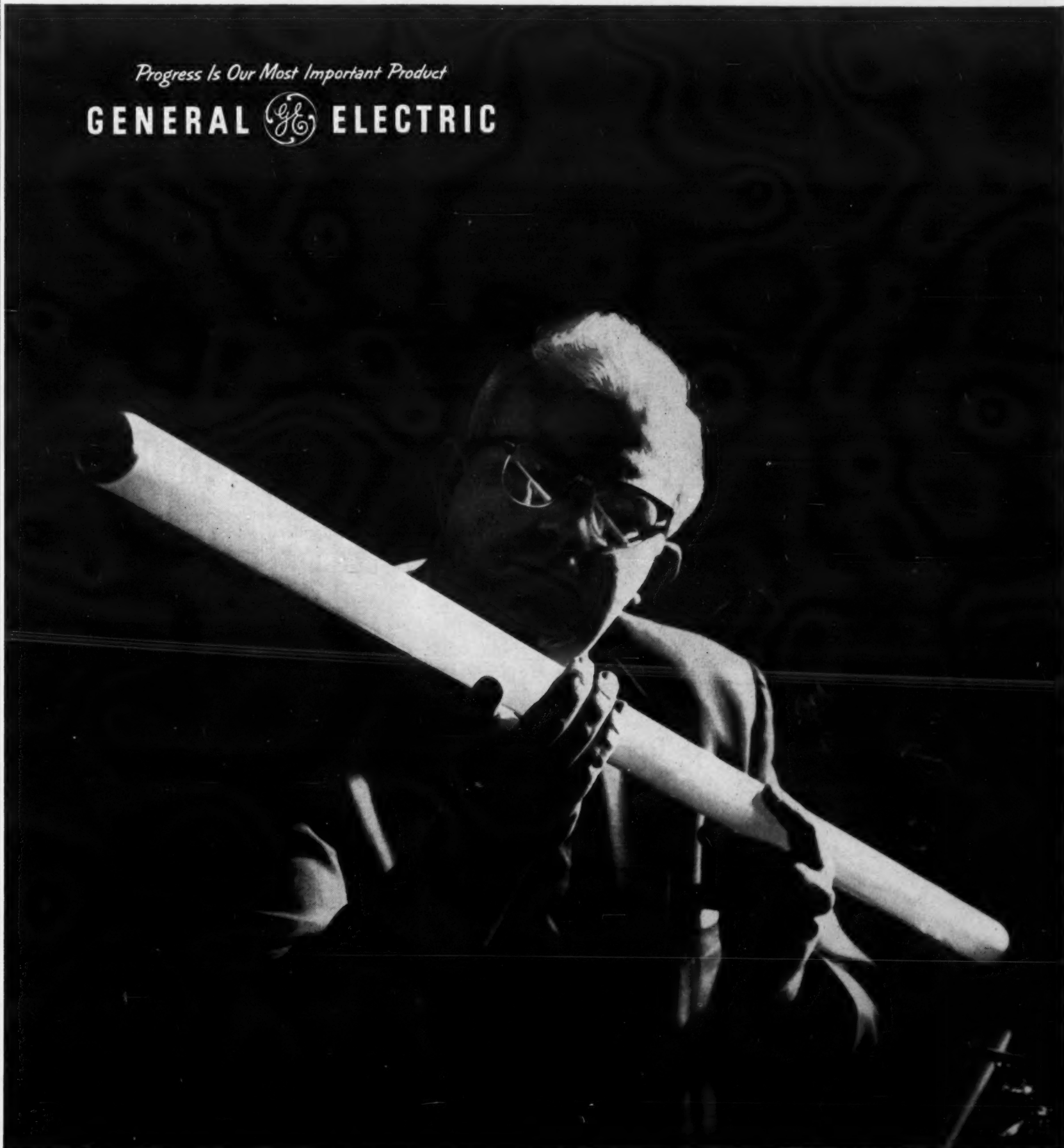
[Another Afghan Hound, Ch. Shirkhan of Grandeur, the same breed as P.A. Goodman's dogs, won Best in Show at the historic 81st Annual Westminster Kennel Club dog show, Madison Square Garden, New York, in 1957. He is back to compete again this year at the 83rd annual event which takes place today and tomorrow.—Editor]



RANDOLPH GOODMAN shares the spotlight with his winning Afghans.

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GENERAL  ELECTRIC



DECISION

"Alone . . . just me and my question . . . which lamps to buy. All look about alike . . . but I keep remembering what past experience has proved to us about General Electric Lamps. That 999 out of 1,000 are sure-starters . . . and 99 out of 100 will still be burning in 1961. And happy thought! We pay less for a case of G-E Fluorescent Lamps today than we did in 1950!"

DECISION: "Why gamble on performance when I can get G-E Lamps at little or no premium in the purchase price."

General Electric Co., Large Lamp Dept. C-905, Nela Park, Cleveland 12, O.

P.A. Quiz Answers

Best answers to situations presented on page 18:

- | | |
|------|-------|
| 1. C | 6. C |
| 2. B | 7. C |
| 3. B | 8. C |
| 4. B | 9. C |
| 5. A | 10. A |

New Paints and Coatings Available to Purchasing

Type	Description	Where Used
Acrylic	Water based or latex type paints incorporating an acrylic resin emulsion	Concrete, cinder block, stucco, masonry surfaces
Alkyds	Usually oil-modified type producing a good general purpose finish	Interior finish; apply to plaster before dry
Chlorinated Rubber	Extremely resistant to most alkalis, and acids as well as water	Floor paints. Wood, metal, masonry immersed in water
Epoxy	Properties of a baked enamel and easy application of air dry curing	Appliances, mild corrosive conditions
Neoprene	Highly resistant to many chemicals; to low concentrations of sulfuric acid	Outside tank coating; for production equipment
Phenolics	Air dried formulations used for structural coatings. Good acid resistance	Structural steel immersed in fresh water, water tanks, bottling plants
Silicone	Water repellent; weather resistant. Minimizes crazing effects of freezing	Seals exterior masonry. Also high-temperature applications
Urethane	Newest anti-corrosive coating. Toughness with flexibility, high hardness	Metal, wood, plaster, concrete, asbestos, cement shingles, plaster board
Vinyl	Rugged, flexible, and offers excellent resistance to oxidizing agents	Where hot airless spray method is applied

Knowing How to Buy Industrial Paints Can Add to Influence of Purchasing Men

Durability, Application Method, Curing Methods Must Be Taken Into Consideration; Aid from Suppliers and Engineers Can Help

Industrial paints and coatings represent a fertile field for purchasing to wield its influence. Many different kinds are available. And there are many more suppliers.

Below are essential elements you should consider when you buy paints and coatings. The table above summarizes the improved coatings made from newer materials.

Basically industrial paints and coatings serve two main purposes:

- To decorate.
- To preserve.

These are some of the things you should look for in buying paints and coatings:

1. Seek a finish that has the durability to meet service requirements and provides adequate protection for your equipment.

2. Find a "tailor-made" finish to fit your particular application method.

3. Take into account curing methods.

Before buying paints or coatings it might be wise to call in the product engineer if it's a product finish you are looking for or

call the maintenance man if it's a corrosion problem. Both know the exact needs of your company and are aware of the problems they present.

Get the exact specifications of what is to be done. Knowing this information will make it clear and simple for you when you talk to potential suppliers. Incidentally, it is always a smart policy to have at least two suppliers on hand in case of a strike, fire, or some other reason for shut-down of your original supplier.

Factors to Be Considered

In the actual purchase the following factors should be considered carefully:

- Weather exposure.
- Durability.
- Toughness.
- Adhesion.
- Flammability.
- Corrosion resistance.
- Total solids.
- Color (in many cases).

To give the fullest service possible, the supplier offers several extras. He has service men who go into the potential customers plant to work with engineers or production people. These service men are aware also of the latest industrial finishings available through the use of the new materials becoming available. They are pleased to share this information with their customers. "It's our responsibility to keep purchasing men up to date on the latest chemical improvements," advised one industrial finishes executive.

Protective Coatings

At the recent Plant Maintenance and Engineering Conference (P.W., Feb. 2, p.4) Kenneth N. Banthin, Visking Co., pointed to another area of industrial finishes that interest purchasing men—that of protective coatings for structures.

Coatings are designated as one or more applications of the spe-

cific material to secure film of 5 to 20 mils in thickness.

Basically, three factors are necessary to give a satisfactory coating job:

1. Proper surface preparation.
2. Proper coating selection.
3. Proper application.

Surface preparation studies indicate grit or sand blasting is best. In many cases location and surroundings limit the use of these blasting techniques. All loose scale or previous coatings must be removed by solvents, scraping, chipping, or wire brushing.

Coating selection (see table at left) should depend mainly on the severity of exposure. Further factors include color, drying time, method of application, and cost. In some plants because of difficult surface preparation the black and aluminum filled bitumen coating may be the most satisfactory. The oleoresinous natural coatings commonly called oil base paints continue to fulfill their respective functions.

Proper application may be made by brushing, rolling, or spraying. Surfaces should be dry and free of moisture. New hot spray application offers important time and cost saving benefits. There is less overspray; so savings can be made in masking and clean up. Where scaffolding is required, the ability to

recoat within minutes often can reduce application cost as much as 75%.

Oil base paints containing vehicles with significant quantities of free oil are applied without removal of all mill, scale, or rust. The wetting properties of this oil are used to penetrate and saturate the rusty surfaces to be covered.

Must Be Free from Pinholes

The principal application problem is to obtain freedom from pinholes. The best way to assure good coverage of edges, corners, and pits is to apply not less than three coats (two for hot spray method) to secure an optimum film thickness of 5 to 7 mils.

For the application of water base acrylic paints or coatings, the surfaces must wet readily with water if good adhesion is to be obtained.

On the other hand, water in any form is detrimental to the application and curing of urethane coatings. The surface to be coated must be free of condensation.

Epoxy coating must be applied immediately after sand or grit blasting. A coat or two of primer and up to three coats of finish can be applied in multiple coats in eight hours. To assure complete coverage, it is suggested to tint each coat a different color.

'Where Can I Buy Department' Aids P.A.'s, Answers 140 of 144 Queries

Despite their numerous contacts purchasing agents sometimes run into a cropper in turning up a source for a product or material. PURCHASING WEEK through its "Where Can I Buy" department extends these purchasing agents a helping hand. Send the department your troublesome source problems. You'll get an answer in one of three ways:

1. Directly from "Where Can I Buy."
2. From McGraw-Hill's vast resources through "Where Can I Buy."
3. If the first two fail, your request will be turned over to our readers on these pages.

Handled 144 Requests

Since P.W.'s first issue, Jan. 6, 1958, the department has handled 144 requests (see box on page 23). Requests have varied all over the lot. One P.A. looked for a material suitable for shading hogs. Another wanted to know who made a rare chemical. Still another wired for help in finding a source for a specialized

valve needed for a highly corrosive environment. But none has been as strange or far fetched as the requests made of L. B. Brughenhemke, P.A. for Creighton University, Omaha, Neb.

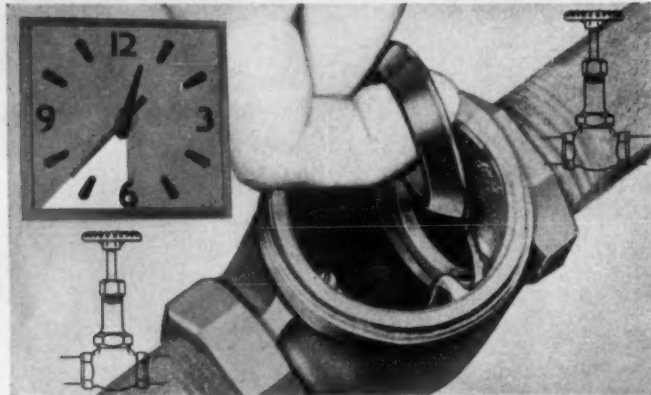
13 Skulls Needed

He was recently asked to purchase 13 human skulls for Creighton's Medical School. Brughenhemke's source (if you are in the market) was Reknas, Ltd., 3 Fancy Lane, Calcutta, India. The purchase order describes them as "third class" with 50% of teeth intact—at \$7.00 each. When asked where Reknas gets the skulls, Brughenhemke replied, "I never ask questions."

Four of our readers need your help in finding sources of supply. If you have the answer send it on to them and mail Where Can I Buy a carbon of your answer.

J. M. Carman, Dennison Mfg Co., Framingham, Mass.—"We are interested in learning the name of a concern or concerns (Continued on page 23)

Only 7 to 10 Minutes to Renew Service Life of New Gate Valve



Replace seat rings in Fairbanks patented Renewable Seat Ring Gate Valves without removing valve body from line. For the first time in valve history, you can replace the seat rings in a renewable seat ring gate valve, under all normal conditions, in less than 10 minutes, using just a screw-driver and *with the valve body still installed in the line* through an exclusive and patented development of The Fairbanks Company.

Fairbanks new 200 pound steam working pressure gate valves, available in sizes 1/2" through 2" in the rising and non-rising stem construction, have been field tested for over two years under all conditions from steam to corrosive liquids and have proven completely satisfactory—absolutely dependable.

FREE: Brochure, complete with details and specifications, yours without charge. Write today.

© THE

Fairbanks

COMPANY

393 Lafayette Street, New York 3, N. Y.

Branches: New York 3 • Boston 10 • Pittsburgh 22 • Rome, Georgia
Valves • Trucks • Casters • Wheels • Dart & "PIC" Unions

Purchasing Week Definition

Some Basic Conveyor Types

Apron—Conveyor has overlapping pans supported between roller chains at each side of pans. Used as feeders.

Belt—Endless belt with head and foot pulleys is supported by rollers or idlers. Either pulley drives belt. Scraper or tripper discharges load.

Bucket elevators—Buckets are attached to endless chain or belt traveling over head and foot pulleys. Elevates bulk material

up slope or moves it vertically.

Continuous flow—Two types: 1. skeleton or framelike pushers move material; 2. solid pushers that move a continuous core of material through a duct.

Flight—Spaced pushers attached to endless chain or belt move material through a trough.

Screw—Helix mounted on a spindle is suspended in a U-trough or duct. Screw motion moves material. (P.W., 2/9/59)

in the United States that manufacture a machine to manufacture tags with a glued-in string; sometimes these are called pasted string tags.

Robert H. White, Powell Electrical Mfg. Co., 3619 Commerce, Houston 3, Texas—"We need a source for heavy, flexible, copper braid, something that will handle 500 amp. of current flow."

B. A. Hettel, Armstrong Cork Co., P. O. Box 1347, Macon, Ga.—"I would like some help in finding sources for a suction cup attached to a handle to be held in one hand so that a man can pick up fiberboard tile from a moving conveyor belt by pressing cup against surface of tile. Tile about 1 sq. ft. weigh 5 to 10 oz. Heavier tile, 1x2-ft. surface area, weigh 10 to 20 oz. might require 2 cups attached to one handle. Trigger release would be actuated by the same hand which holds the pick-up unit. Ultimate order quantity 25 to 50 plus periodic replacements."

Keystone Brush Co., Inc., 33-35 Spruce St., New York 38, N. Y.—"We are trying to locate the manufacturer of a patented mophead sold under the trade name Layflat, with Patent Number 2,673,134."

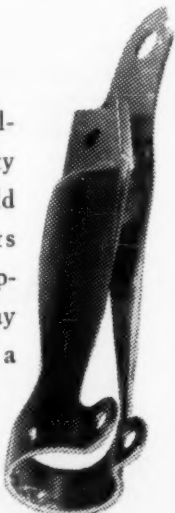
The Record to Date

Readers' requests	144
Staff answered	124
Published in P.W.	20
Answered by readers	16
Unanswered	4

They got tired of high costs —so they sent prints to ETASCO....

One look, and you know this is a tough stamping job. Yet, ETASCO does it at much less cost than a 2 or 3-piece part.

If proper tooling and plenty of thought could cut your costs for metal stampings, it will pay you to get a quote from



ETASCO®

EASTERN TOOL & STAMPING CO., Inc.
122 BALLARD ST., SAUGUS, MASSACHUSETTS

—where America's first
successful ironworks is located

New Plastic, Penton, Licks Most Corrosion Problems

A new plastic slated for commercial production later this year looks like a good bet to take over many a corrosion problem.

Called Penton and made by Hercules Powder Co., the new material will resist attack by just about any chemical. Strong nitrate acid, fuming sulfuric acid, and hot ethylene dichloride will attack Penton. Beyond these three, Hercules researchers are hard put to find anything else that attacks Penton.

On a comparative basis over a broad range of corrosives and solvents, the new plastic rates on

a par with nickel. For many applications it is said to outperform Hastelloy. And it is superior to the common stainless steels.

Like many of the thermoplastics, Penton can be molded and extruded to close tolerances. Unlike the fluorocarbons—the nearest plastics in properties to Penton—it is easily fabricated. Besides molding it can be assembled by welding into a variety of structures. Penton also can be applied as a coating in four different ways: 1. injection molding; 2. dipping a hot com-

ponent in a fluidized bed of powdered Penton and then sintering (Whirlclad process developed by Polymer Corp.); 3. flame spraying; 4. sheets.

Hercules supplies only the basic resin. Pilot-plant output has produced the raw material for a number of products. Valves, fittings, and pipe are now available, most of it for off-the-shelf delivery. Several companies are offering pumps made with Penton, either lined or solid. And sheet, rod, and tube stock is readily available. As with any new material, Hercules and the

fabricators offer design and application help.

Penton starts off at \$6 a lb.—far higher than stainless 316 and Hastelloy. The real economics of Penton comes in when you turn these materials into finished products, say valves.

Penton weighs less than either metal; so you get more material per pound. You have to pay for labor and waste in making the valve from stainless or Hastelloy. The only extra cost with Penton is molding (includes labor and equipment). Hercules says the equivalent value in Hastelloy would cost about three times that of Penton; for stainless the cost is slightly higher.

AVOID RISK If you buy steel...

USE OUR INVENTORY to continue your cost-reduction program

When business slows down, you get tough, tighten your belt, and cut back steel inventory because you free capital that way and save on costs of space, handling, taxes, obsolescence and wastage. You avoid big-inventory risks by buying from a Steel Service Center. That's good business.

But when business speeds up again, do you soften and let these economies—plus your protection from risk—go out the window?

Doesn't it make sense to continue your

cost-reduction program? Why not continue free-of-risk steel buying from your Steel Service Center . . . get all the steel you need delivered when you say, cut to exact size and ready for use.

Compare all your costs of inventoried steel with what our steel will cost you. Use the chart at the right. Or get the booklet *What's Your Real Cost of Possession for Steel?* from your nearby Steel Service Center. American Steel Warehouse Association, Inc., 540 Terminal Tower, Cleveland 13, Ohio.



The American Steel Warehouse

...YOUR STEEL SERVICE CENTER

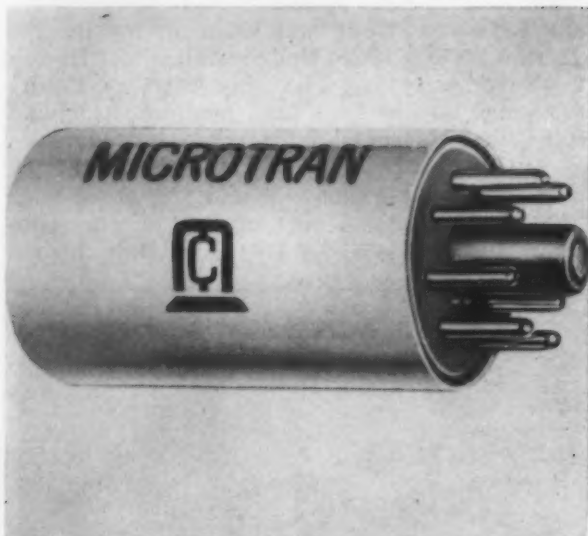
Cost of possession for steel in your inventory

Per ton delivered	_____
Cost of capital:	_____
Inventory	_____
Space	_____
Equipment	_____
Cost of operation:	_____
Space	_____
Materials handling	_____
Cutting & burning	_____
Scrap & wastage	_____
Other costs:	_____
Obsolescence	_____
Insurance	_____
Taxes	_____
Accounting	_____
TOTAL	_____

Cost of freedom-from-risk steel from your Steel Service Center

Per ton, cut-to-size, and delivered	_____
TOTAL	_____

Here's your weekly guide to . . .



Input Transformers

Magnetically Shielded

Hi-fidelity cased plug-in transformers are designed for replacement or original equipment use on recorders and amplifiers. They match the impedance of microphone, pick-up, or line, to a high impedance amplifier. Magnetic shield improves low level signal to noise ratio.

Price: about \$20. Delivery: immediate.

Microtran Co., Inc., 145 East Mineola Ave., Valley Stream, N. Y. (P.W., 2/9/59)



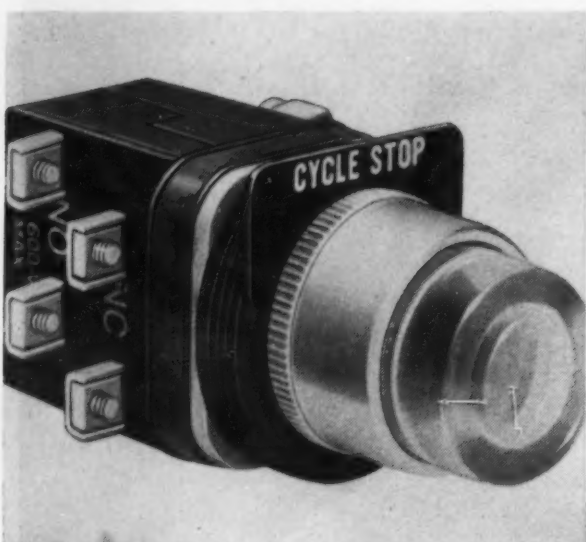
R.F. Power Meter

Self Contained

Calorimeter Bridge Model CB-16 has its own circulating system, cooling system, and radio frequency dummy load. It requires only connection to the regular power line. R. F. power is read directly on a 4½ in. meter in watts. Single coaxial dummy load covers frequency range from dc. to 10,000 mc.

Price: \$1,100. Delivery: within 30 days.

Electro Impulse Lab., 208 River St., Red Bank, N. J. (P.W., 2/9/59)



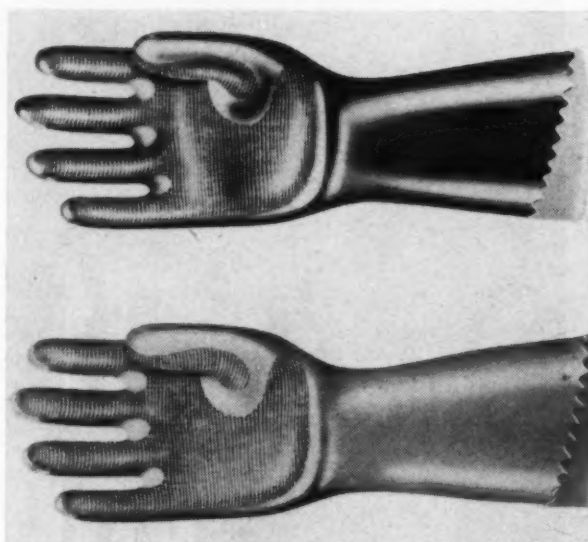
Push Button Unit

Button and Light, One Unit

Illuminated oil-tight push-button unit combines a push-button with a pilot light. Units are completely sealed to exclude oil and coolants. Flexible circuitry permits pilot lamp to be wired to go ON and OFF when button is pressed.

Price: \$14 (110, 220 v.), \$15.50 (480, 600 v.). \$1 extra (guard). Delivery: immediate.

Allen-Bradley Co., 136 W. Greenfield Ave., Milwaukee 4, Wis. (P.W., 2/9/59)



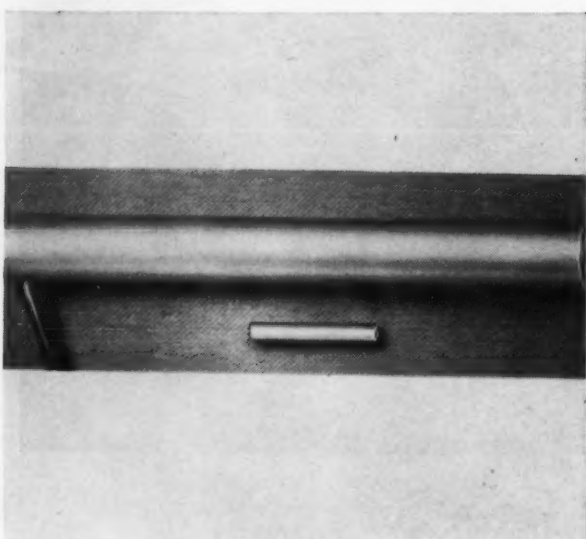
Industrial Gloves

Cotton Fiber Lining

Industrial gloves can be used in most water solutions of acids, alkalis, salts. Gloves offer extra hand comfort, maximum flexibility, and finger sensitivity through inner lining that absorbs hand perspiration. Will-Grip, a diamond-shaped grip pattern provides gripping action on wet, slippery objects.

Price: \$8.46 (per dozen). Delivery: immediate.

Wilson Rubber Co., Industrial Division, Canton 6, Ohio (P.W., 2/9/59)



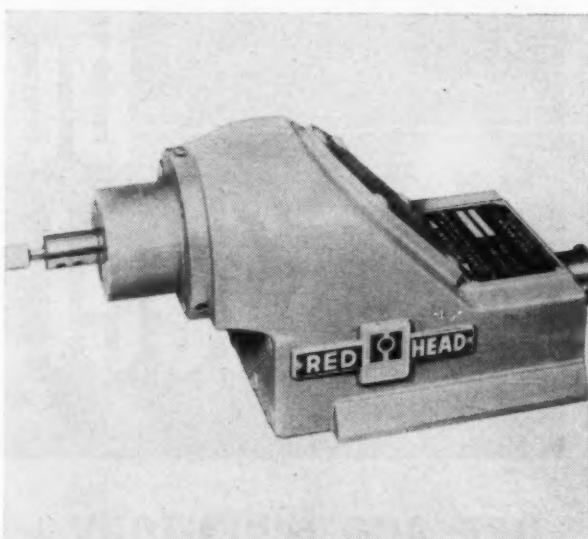
Transducers

High Output

Differential transformers have linear stroke 70% of coil length. Small transducers are for linear displacement from ± 0.5 to ± 8.0 in. Ratio of output voltage, at range limit, to null voltage is 1,000:1. Transducers are furnished with Teflon insulated leads.

Price: from \$50 to \$300 fob. Philadelphia. Delivery: 6 to 8 wk.

Automatic Timing & Controls, Inc., King of Prussia, Pa. (P.W., 2/9/59)



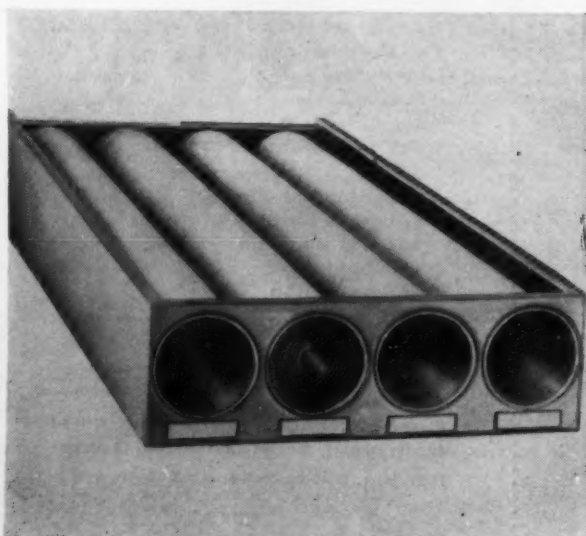
Wheelhead

Grinds Small Holes

Belt-driven wheelheads grind small holes at precise surface speeds without high frequency generating equipment. Interchangeable cartridge type wheelheads develop spindle speeds of 45,000 to 100,000 rpm. for grinding small diameter holes where surface speed of wheel is critical.

Price: \$1,350 (base). Delivery: immediate.

Heald Machine Co., 6 New Bond St., Worcester 6, Mass. (P.W., 2/9/59)



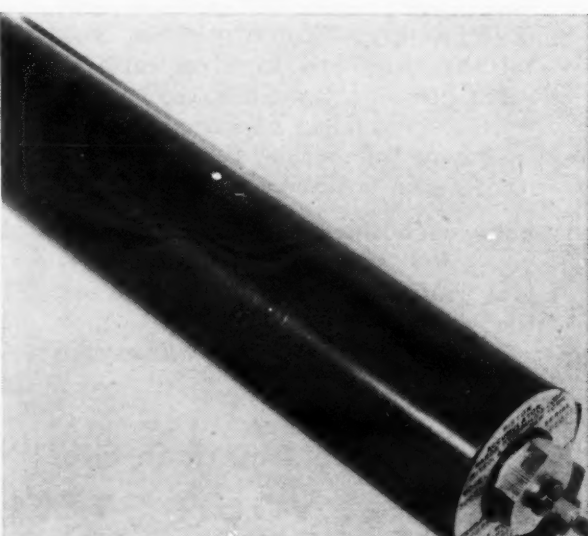
Tube Filing System

For Rolled Prints

Tube filing system stores prints, charts, drawings, maps. File consists of modular steel encased tubes in units of four tubes per roll file. Units are 12 in. wide and 4 in. high by tube length. Available in lengths of 27 and 33 in. Slide together stacking feature is offered.

Price: from \$3.95 per unit (four tubes) fob. South Gate. Delivery: immediate.

Plan Hold Corp., 5204 Chakemco St., South Gate, Calif. (P.W., 2/9/59)



Piston Accumulator

Leakproof

Model 30001 piston accumulator has a free piston with three "O" ring seals, all active members. Any air or oil trapped between two given seals is automatically discharged to its respective chamber during each piston stroke.

Price: from \$98 (for ½ gal. size). Delivery: immediate.

Narda Hydraulics Corp., 122 Herricks Rd., Mineola, L. I., N. Y. (P.W., 2/9/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



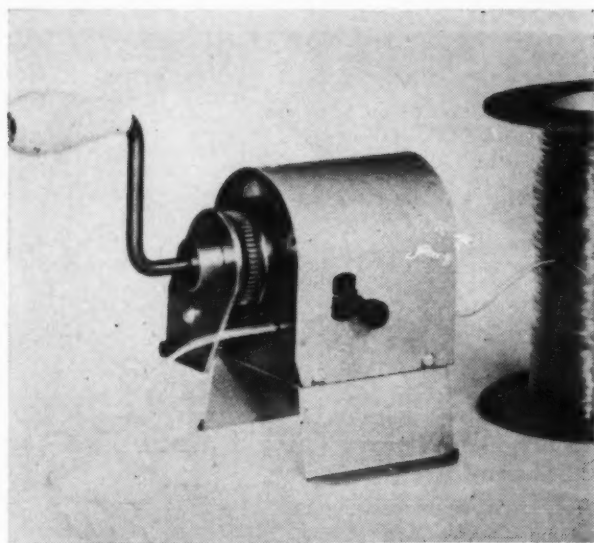
Adding Machine

Electrified Control Keys

Series 400 electric adding machines offers three models. Each takes only 8x11 in. of desk space. Model 407 adds and multiplies up to 7 columns capacity and prints subtotal and total on the tape. Model 408 subtracts as well as adds and multiplies. Model 409 adds, subtracts, multiplies, and divides amounts up to 9 columns. Concave keys prevent slipping. Moving parts are plated.

Price: \$109, \$149, \$179 (407, 408, 409). Delivery: immediate.

General-Gilbert Corp., 150 Broadway, New York 38, N. Y. (P.W., 2/9/59)



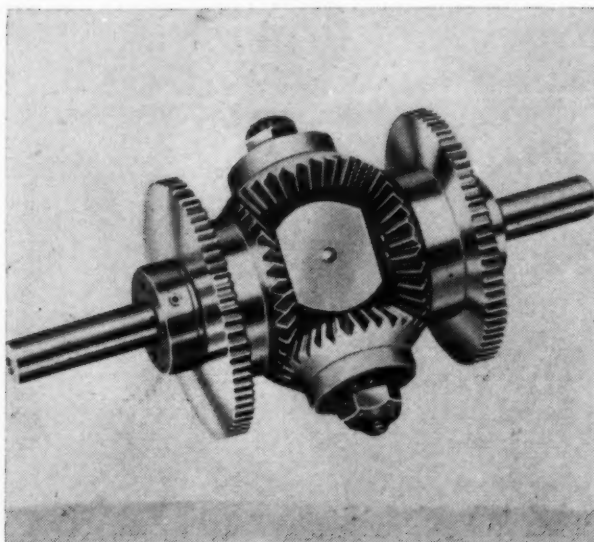
Sleeving Cutter

Cuts Insulation Tubing

Little Joe 4-to-1 sleeving cutter cuts insulation tubing of all types from 1/4 to 8 in. lengths. It handles dimensions up to 1/4 in. O.D.

Price: \$99 (Model 141, hand operated 8 in. capacity), \$184 (Model 241, powered). \$69 (model 101, hand operated 2 in. capacity), \$154 (Model 201, powered). Delivery: immediate.

Macdonald & Co., 1324 Ethel St., Glendale 7, Calif. (P.W., 2/9/59)



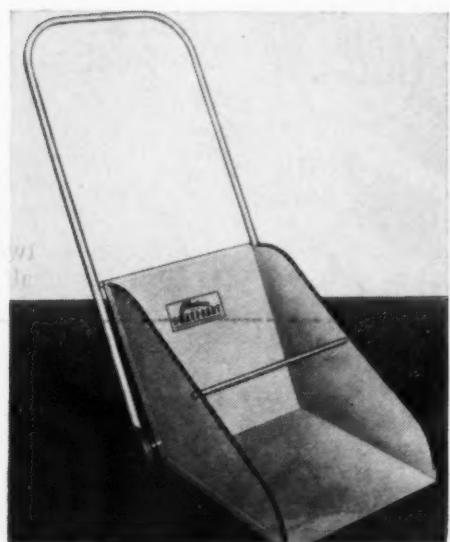
Differentials

Miniature Size

BP-301 differentials may be used as speed controllers or as sensing devices for mechanical comparison or error measurement. In some servo systems they are used as basic computing elements for addition or subtraction of two shaft movements.

Price: \$105 (1-9) Model BP-301. Delivery: immediate.

Helipot Division, Beckman Instruments, Inc., 2500 Fullerton Rd., Fullerton, Calif. (P.W., 2/9/59)



Floor Cleaner

Detachable Dirt Pan

Sweepcart is a piece of floor cleaning equipment for dirt or trash pick-up and removal. It simplifies shoveling. Push Sweepcart into a pile of dirt or trash to be removed. Sweep the material into the dirt pan and wheel to disposal area. Sweepcart is counterbalanced and has free-rolling solid rubber wheels. Lightweight detachable dirt pan simplifies dumping. Handle is one-piece tubular steel.

Price: \$29.50 fob. Cambridge. Delivery: immediate.

Handling Devices Co., Inc., 34 Concord Lane, Cambridge 38, Mass. (P.W., 2/9/59)

This Week's

Product Perspective

FEBRUARY 9-15

The move toward standardized "building blocks" for specialized machine tools is coming to a head.

Users and tool builders have agreed on most of the things needed to give the building block concept a start. Even though the auto companies, principally Ford, are the prime movers behind building blocks, there are a number of implications for users everywhere.

First of all the concept seeks to increase machine flexibility, save time in making tooling changes, and cut obsolescence cost. Most of the benefits are aimed at the big companies using special machines. But even small users of special machines should benefit; standardization will eventually extend to general-purpose tools.

Standardization will follow pretty much these lines:

1. Standardization of mounting and attaching surfaces of bases and power units; also bolting patterns.

2. Uniform working height of 42 in.

This is the first step. And it will likely take two years before you see it in anything like general use. Later will come standardized power-unit drive-spindle heights and mating elements, electrical and hydraulic attaching surfaces, and tool-head attaching surfaces.

Standards in no way are expected to interfere with the builder's design flexibility. He's still responsible for the basic machine design. And there's plenty of leeway for design innovations.

Industry continues to churn out new products. Whether they are machines that run other machines or 100-ft. dia. ball bearings, these all do something never done before.

• An electronic device approaches the problem of control in much the same way a human would. It goes through a series of trial and error steps until it comes up with a logical conclusion about the kind of control it should exert. The device learns by itself the difference between right and wrong decisions and makes judgements based on its own past experience.

Called Opcon, it won for Westinghouse Electric Corp. last year's industrial science achievement award given by the American Association for the Advancement of Science.

• Fire-explosion warning device signals not only flame but smoke and vapor, too. Minneapolis-Honeywell Regulator Co. says it's the first warning device to be sensitive to all three. A small cathode tube that detects and counts ultraviolet radiation put out by its environment makes the device possible. Probable uses: furnace safety, early warning of fires and mine explosions.

• A while back there was much talk in Detroit about the coming gas-turbine powered automobile. Then talk died down as Detroit struggled with design and material problems. Now Chrysler has started the industry talking again. It has improved on fuel burner design and other components to the point where its turbine engine averages 19.39 miles per gal. under normal road conditions in an otherwise unmodified 1959 Plymouth. Also no alloys based on critical, expensive metals are used. So once again you'll hear talk that the gas turbine is maybe two or three years away.

• The biggest ball bearing ever has been built by Kaydon Engineering Corp. It measures 13 ft. 9 in. in dia. and has 88 four-inch balls. It will support the rotating element of a Nike-Zeus radar system. Load on the bearing is in the neighborhood of 1 million lb. In the works is a 60-ft. bearing and the company sees no reason why a bearing 100 ft. in dia., or more, could not be built.

How far can automation go? Many a bull session has kicked that one around. Take medicine for instance. You wouldn't think there's too much room for automation. But start with Gulton Industries' medical electronic system and see what happens.

The system measures a number of physiological conditions like blood pressure, heart rate, heart sounds, skin temperature, etc. It's designed to check the condition of a man traveling in a space vehicle.

But take it a couple of steps further. It could be made to diagnose an earth-bound patient, feed its findings into a computer. The computer would match the findings against ailments coded in its memory. A further matching process would come up with a prescription. The prescription then could be filled automatically.

But the prescription won't be any more readable than handwritten ones. It'll be a punched card.

DoALL ECONOMY SPECIAL

Over and Under Size REAMER SET

Proof that there's no better buy than DoALL quality, DoALL-priced.

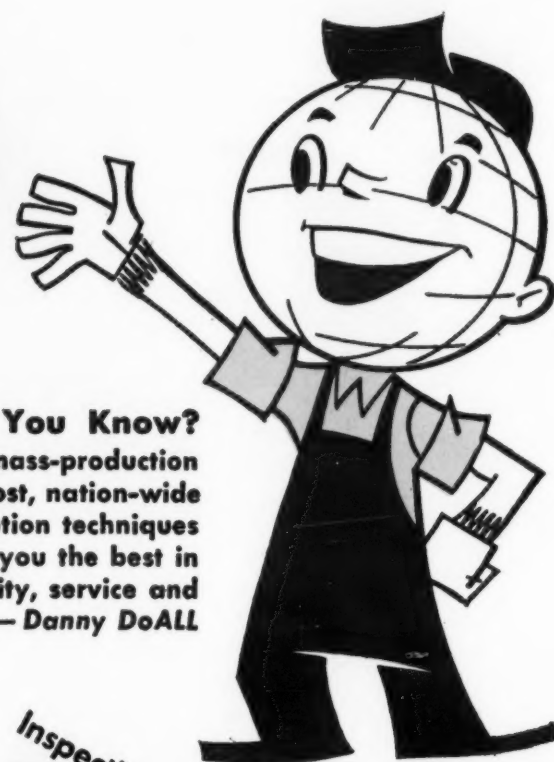
A set of 14 laboratory-inspected, high-speed reamers are ground on both faces for smoother finish on holes. They allow maximum speed and feeds...produce more holes per grind...reduce down time. Straight shank, straight flutes .001" over size and .001" under size. $\frac{1}{8}$ " through $\frac{1}{2}$ " by 16ths. Set (14 reamers—sizes .1240 through .5010, regular length) including case. No. D5333.

The world's largest selection of top-quality cutting tools, available at your local DoALL Store. There are 27 different reamer sets available.



only
\$42⁸⁰

Did You Know?
DoALL mass-production and low-cost, nation-wide distribution techniques give you the best in quality, service and prices. — Danny DoALL



CT-41

IN STOCK
AT YOUR LOCAL DoALL STORE
all laboratory-inspected

THE DoALL COMPANY
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Tools and Equipment:
Saw Bands, Hack Saws, Slitting Saws, Grinding Wheels, Reamers, Drills, Taps, Files (Hand, Machine, DoALL File Bands), Inspection Tools (Gage Blocks, Black Granite, Turning Tools, Drill Rod), Tool & Die Steel (AIR HARDENING, OIL HARDENING), Dies, Milling Cutters, End Mills, DoALL BAND SAW BLADE (TO CUT EVERY METAL AND MATERIAL).

Machines and Equipment:
Machines and Blade, Surface Grinders, Power Saws.

Reach for Your DoALL Catalog

Find Your DoALL STORE In The "Yellow Pages"

Your Weekly Guide to New Products — (Continued from page 25)



Vacuum Cleaner

Gives 70 In.-Vacuum

Stubby is a multi-purpose vacuum cleaner. It gives big vacuum performance in a small, compact, one-hand portable machine. Stubby is powered by a ½-hp. motor, operable ac. or dc., and equipped with multi-stage turbine-type fans. It gives a 70-in.-vacuum pick-up, wet or dry.

Price: \$96.50 fob. Newark. Delivery: immediate.

Empire Chemical Products Co., Machine Division, 10 Longworth St., Newark 2, N. J. (P.W., 2/9/59)



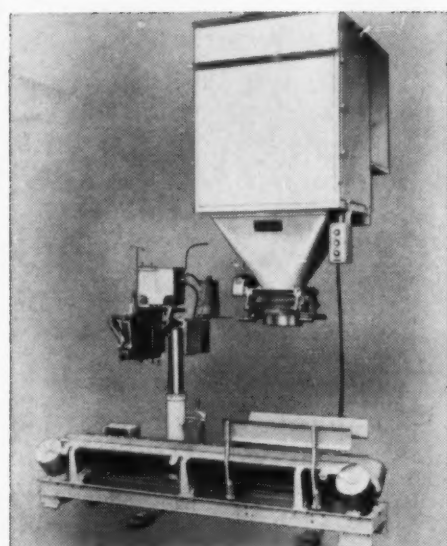
Platform Trucks

Uses Magnesium

Model F platform trucks combine light weight with high strength. General purpose trucks are made of magnesium in combination with other light alloy metals. Load capacities vary from 1,200 and 2,000 lb. Trucks offer rubber tires, removable handles.

Price: from \$132 fob. Pinconning. Delivery: immediate.

Magline, Inc., 1900 Mercer St., Pinconning, Mich. (P.W., 2/9/59)



Bagger

Weights and Fills 25 to 200-Lb. Bags

Fastr-Weigh bagger for select types of formula feeds is capable of weighing and filling twenty-two 50-lb. or sixteen 100-lb. open mouth paper or textile bags per minute with a weight accuracy within two ounces. Bagger is equipped with continuous or operator-controlled cycling. It has self-cleaning, self-aligning knife edges, a self-cleaning scale beam, and trigger-actuated beam switch for maintaining accuracy.

Price: \$5,500. Delivery: within 60 days.

Bemis Bro. Bag Co., Bemis' Packaging Service Dept., 305 27th. Ave. N. E., Minneapolis 18, Minn. (P.W., 2/9/59)



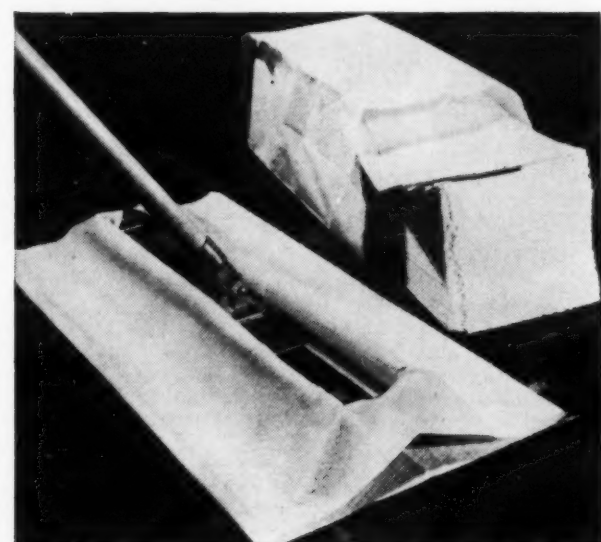
Aspirator Pump

Corrosion Free

Non-corrode aspirator pump is of polyethylene. It operates efficiently on all water pressures from 11 lb. up. Aspirator is especially useful with highly corrosive filtrates. Serrated hose connection on the side-arm is removable for quick disconnecting of the filter flask.

Price: \$9 (package of 6). Delivery: immediate.

Fisher Scientific Co., 389 Fisher Bldg., Pittsburgh 19, Pa. (P.W., 2/9/59)



Cleaning Cloths

For Dustless Sweeping

Disposable Masslinn cloths are chemically treated. Cloth is a non-woven fabric impregnated with a special emulsion which absorbs and retains dust and dirt, leaving clean floors with a polished finish, without any slip hazard.

Price: 8 to 9¢ per sheet (24x24 in.). Delivery: immediate.

Non-Woven Fabrics Division, Chicopee Mills, Inc., 47 Worth St., New York 13, N. Y. (P.W., 2/9/59)



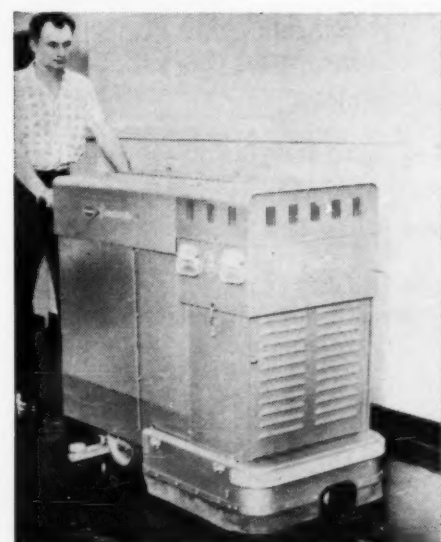
Positioning Switch

Pneumatically Operated

Positioning switch eliminates lags between the switch and the actuator mechanism. Switch is used primarily for remote control of pneumatic valves or damper motors. Turning the knob gradually increases or decreases the flow of compressed air to these devices, opening or closing them to the desired position. Hysteresis, the lag between a switch position change and the corresponding air pressure change, has been eliminated by using a responsive ball valve in switch.

Price: about \$30. Delivery: immediate.

Powers Regulator Co., 3434 Oakton St., Skokie, Ill. (P.W., 2/9/59)



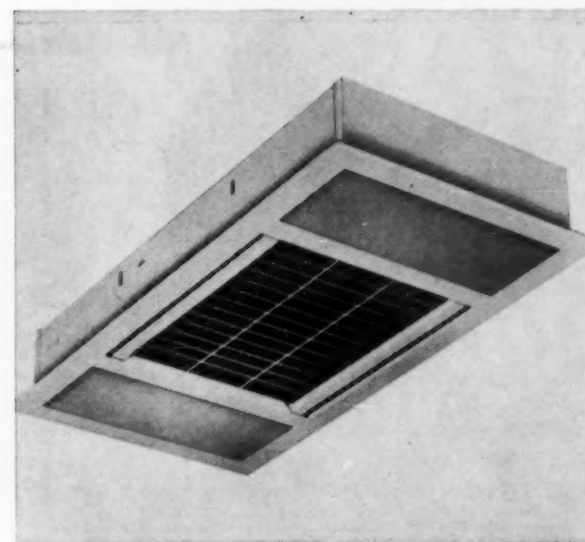
Floor Maintainer

Battery Powered

Convertamatic Model 24B automatic floor maintenance machine cleans 12,500 sq. ft. per hr. It has a 24 in. brush spreader. One operator can lay the cleaning solution, scrub the floor, vacuum up the dirty solution, and damp-dry the floor in one operation. Machine may be used as a dry cleaner to polish and pick up all dust and loose dirt as it propels itself over the floor. Four heavy-duty batteries provide the power.

Price: \$1,495 fob. Minneapolis. Delivery: immediate.

Advance Floor Machine Co., 4100 Washington Ave. North, Minneapolis, Minn. (P.W., 2/9/59)



Ceiling Unit

Gives Heat, Light

Recessed ceiling unit combines electric radiant heating with built-in lighting. Pyrolite Model RCL is rated at 1,000 w. of radiant heating, with 200 w. of lighting banked on the sides. Wall-mounted thermostat controls heat, separate light switch.

Price: \$79.50 (white finish), \$87 (chrome finish). Delivery: immediate.

Berko Electric Mfg. Corp., 212-40 Jamaica Ave., Queens Village, N. Y. (P.W., 2/9/59)

Profitable Reading for P.A.'s

Over 325 different temperature measuring applications are given in 4-page Material Guide. Applications are grouped in chart form according to industry. Recommendations include one or more materials for each application and take into consideration such factors as electrolysis, catalytic reaction, and other variables. Copies are available from **Thermo Electric Co., Inc., Saddle Brook, N. J.**

Cathode ray indicator, Model 1002 is described in 2-page bulletin. It includes all physical and electrical specifications of the instrument along with the price. Bulletin can be obtained by writing **Technitrol Engineering Co., 1952 E. Allegheny Ave., Philadelphia 34, Pa.**

"What is a Standard" is title of new brochure. The text explains the nature of standards and of American standards. Also described are the functions of the American Standards Association as the national clearinghouse for standardization in the U. S. and as the representative of American interests in international standards work. Brochure is available from **American Standards Association, Dept. PR 34, 70 E. 45th St., New York 17, N. Y.**

"The Measure of Tubemanship" is title of new brochure. Features included in the publication are the components of tubemanship, complete quality control through the various stages of production, creativity in developing new ideas and products, and related customer services. Brochure is available from **Wolverine Tube, Div. of Calumet & Hecla, Inc., 17200 Southfield Road, Allen Park, Mich.**

Brass rod mill products are described in 24-page booklet entitled "For Your Metal Money's Worth." Weight, size, and tolerance tables, specifications and other technical data are listed in handy form on Titan free-cutting brass, commercial bronze, nickel-silver, high silicon brass, and others. Booklet is available from **Customer Service Div., Titan Metal Mfg. Co., Bellefonte, Pa.**

Industrial casters are described in 4-page Folder No. 10158. It carries detailed information, illustrations, and specifications on 24 different series of truck casters. Both swivelplate and rigid-plate casters are included in the folder. Casters are available with a choice of semi-steel, drawn steel, rubber-tired, Rockite, Plaskite, Ruberex, or V-grooved

wheels. Copies are available from **Faultless Caster Corp., Dept. PR, Evansville 7, Ind.**

High-strength rigid plastic pipe is described in 6-page Bulletin No. HT-100. It gives complete specifications and advantages of the new line of pipe; describes and pictures typical applications; and includes tables and charts of working pressures, physical properties, and resistance to several dozen common corrosive fluids. Copies are available from **Carlson Products Corp., P.O. Box 133, Aurora, Ohio.**

To Beat Rising Coal Costs, Get the 'Clinkers' Out of Your Buying

Gregory Gould, President, Fuel Engineering, Tells Purchasing Agents How to Save Time, Trouble, Money by Avoiding Errors

New York—Purchasing agents can best combat rising coal prices by digging out any "clinkers" in their own fuel buying operations, says a leading fuel expert.

Gregory Gould, president of the half-century-old Fuel Engineering Co., points out that recent price increases for both bituminous and anthracite have "definitely put the heat on P.A.'s."

Gould, who has been working

with coal buyers for more than 12 years, says now is the time to take "that second look" at buying procedures. "Many purchasing agents could save a lot of time, trouble, and money," he adds, "by avoiding the five most common errors in coal purchasing."

Here, according to the fuel consultant, are the "quintet of bugaboos" that should be eliminated:

1. Failure to determine needs

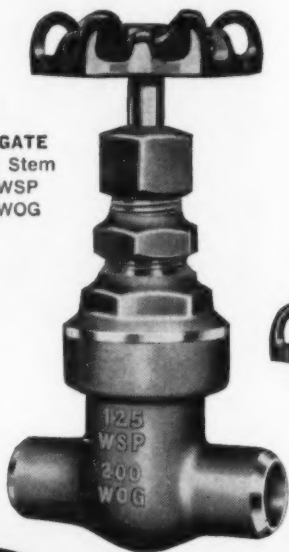
objectively: One type of coal may provide up to 15% more steam and 50% less air pollutants than another. Get your engineer to help determine specifications to meet the particular burning equipment and load conditions in your plant. Remember, price of coal varies with specifications.

2. Failure to buy on specification: Steam generating performance is directly related to fuel make-up. Five characteristics in-

pick your solder end valves from this line up of . . .

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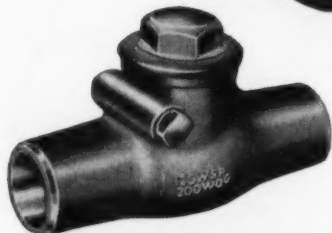
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No. 2900 GATE
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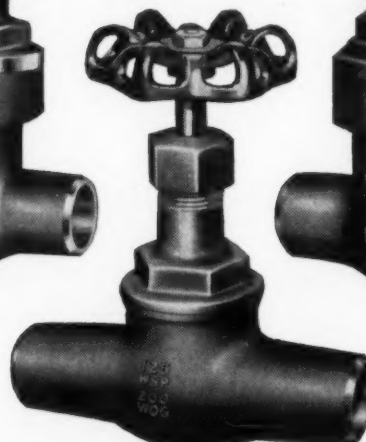
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Also available with Drain



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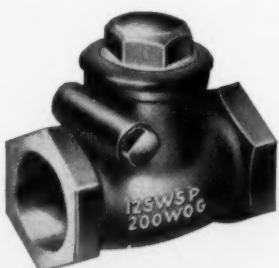


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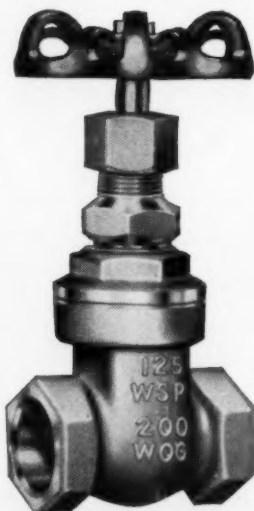


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125 lbs. WSP
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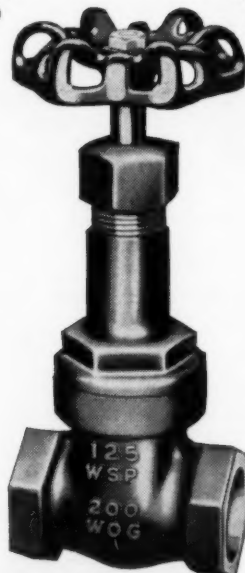
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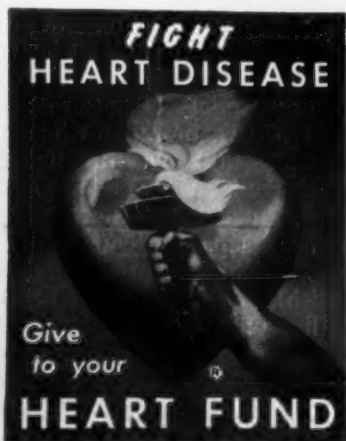
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fluencing fuel behavior are volatile content; B. T. U.'s or heating value; percentage of ash; fusing temperature at which ash will form clinkers, and finally, size. Once you know the specifications, abide by these figures. It will pay off in time and money.

3. Failure to make use of competition: Even though your plant may be functioning smoothly on a particular fuel, look for other coals that also meet your specs. You may find that you'll save money and not be left stranded if one supplier runs into problems.

4. Failure to gather performance facts in your own plant: To keep up to date on fuel performance, you should have an information feedback system between operations and purchasing. Only operations can tell purchasing how a particular coal performs under actual operating conditions.

5. Failure to control suppliers: After you have made a contract

with a supplier based on certain specifications and have received word from operations on how the fuel is performing, have analyses made to make certain that the supplier is sending coal within limits agreed on under the contract. This is done by scientifically sampling and testing the fuel.

Summing up, Gould said the most important thing to check in coal buying was "cents per million B.T.U.'s." In this respect, it may often be possible to buy slightly inferior grades at much lower costs and get the job done just as well.

Noting that fuel costs may jump again in April, the consultant suggested that purchasing executives start looking for any "clinkers" right way. He said that if the five most common errors in coal buying described previously were carefully avoided, fuel costs might be cut while boiler plants could be run more efficiently.



COAL ANALYSIS LABORATORY of the Fuel Engineering Co. makes seven accurate checks of the seven factors which determine performance of fuel. These factors are: 1. volatile matter, 2. British Thermal

Units, 3. percentage of ash, 4. ash fusing temperature, 5. moisture, 6. sulphur, and 7. size. Purchasing executives have been advised by Gregory Gould, Fuel Engineering president, to make similar tests.



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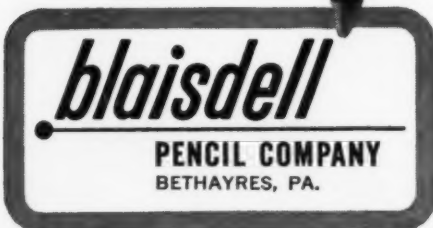
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Tin becomes gold . . . when alloyed with copper to produce a 24-kt. gold brilliance for attractive decorative finishes. The ratio of tin to copper is 12% to 88%. When the tin content is increased to 20%, the alloy takes on a pale yellow hue. Tin-bronze is reported to eliminate the usual alloy plating difficulties. It is as easy to control as single metal deposition.

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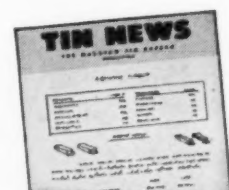
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This Changing Purchasing Profession . . .



GENE E. GANN has been advanced to director of purchases by **McLouth Steel Corp.**, Detroit. A former vice president of **Gaylord Manufacturing**, he joined **McLouth** in 1954 and has been specializing in the procurement of raw materials.

William H. Parry, buying supervisor for **Convair (San Diego) Division of General Dynamics Corp.**, has been appointed a purchasing agent. He will be responsible for all procurement in machining, forming tooling, and processing in **Convair-San Diego** subcontracting.



ROBERT N. WHITNEY has been promoted to purchasing agent at **Miniature Precision Bearings, Inc.**, Keene, N. H. He succeeds **Leo Vogel** who moved up to a newly created position as staff assistant. **Whitney** served as assistant purchasing agent the last three years.



CAIN E. SEEKATZ succeeds **J. Stuart Mill** as purchasing agent for **Union Central Life Insurance Co.**, Cincinnati. **Mill**, who served as purchasing agent the last 13 years, has been promoted to assistant to the president. **Seekatz** joined the firm in 1927 and became assistant P.A. in 1947.

Elbert W. Shaw has been named purchasing agent for the Los Angeles plant of **B. F. Goodrich Tire Co.** He had been managing director of **Goodrich Co.**, Ltd., Singapore, during the past four years.

Frank D. Lortscher, formerly director of purchases and stores and special services for **Signal Oil & Gas Co.**, Los Angeles, has been made vice president in charge of crude oil sales. He is a

past president of the **Purchasing Agents Association of Los Angeles** and was national chairman of the **Oil Buyers Group of the N.A.P.A.**

John T. Conard has been appointed director of purchases by the **Duro Co.**, Dayton, Ohio.

Joseph Gross has been named office manager and purchasing agent for the newly-established **Crest Fence Co.**, Denver.

Two purchasing agents have been appointed by **International Business Machines Corp.**: **Charles E. Anable** and **Richard W. Little**. **Anable** has been assigned to the firm's Research Laboratory at **Yorktown Heights, N. Y.**, and **Little** to the Supplies Division Engineering Laboratory at **Endicott, N. Y.**

Phillip Erhard has succeeded **Frank G. Hefti**, who retired, as purchasing agent of **Crucible Steel**

Co. of America's Sanderson-Halcomb Works in **Syracuse, N. Y.** **Erhard** had been supervisor of receiving and stores at **Sanderson-Halcomb**.

Charles E. Kaufman has been promoted from assistant purchasing agent to purchasing agent for **Hagan Chemicals & Controls, Inc.**, Pittsburgh, and its divisions **Calgon Co.** and **Hall Laboratories**. He succeeds **Clifford R. Texter** who retired Jan. 1.



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LOADING STEEL into barges at Turning Basin Dock now is a year round job. Formerly, in mid-winter, the orders were shipped by rail or truck.

Major Chicago District Steel Producers Begin Regularly Scheduled Winter Barge Shipments

Chicago—Major steel producers in the Chicago district have started winter barge shipping on a regular basis in order to become "fully competitive" in Southern markets.

Spokesmen for Inland Steel Co. and Youngstown Sheet & Tube Co. said "braving icy blasts" to reach customers along the Illinois River and lower Mississippi should prove mutually advantageous.

Historically, barge-loading at

Inland's Turning Basin dock ended about mid-November. Steel orders headed down the Mississippi were then either trucked or sent by rail.

"But year-round barge shipping directly from the mill is going to mean more business for Inland," declared R. M. Buddington, sales vice president of the steel firm. As to how much more business, he would only say, "Direct winter shipping was announced to our customers only

recently, so it's too early to say just how much more steel we can sell because of it."

On the subject of customer advantages, Buddington explained: "Water shipping is cheaper than rail or truck shipping and therefore shipping charges to customers are lower.

"Customers set up to receive a large amount of their steel tonnage by water—and many steel users in the South are—will find it more convenient to stay with barge shipping through the winter rather than adapting their crews and equipment to heavier use of rail and truck facilities."

Youngstown is shipping by barge from its East Chicago mill through the winter months. A spokesman there also said it is too early to spell out any results.

Both firms expect that savings resulting from cheaper barge shipping will make them fully competitive in the South with the mills in Pittsburgh.

Purchase Division Added To Esso's Bayonne Unit

Bayonne, N. J.—Esso's Bayonne refinery has added a purchasing division to handle new buying responsibilities. George Cunningham, former head of shops, maintenance and construction, will direct the new operation.

The division will handle contacts with suppliers and the New York purchasing group. In the past, purchasing was a function of Stores and Services.

Gage Division Formed

Athol, Mass.—L. S. Starrett Co. has formed a gage division to design and build special gaging equipment. The new unit includes manufacturing, engineering, and sales facilities.

PURCHASING WEEK

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Metal Firms Scrambling to Beat Competition in Overlapping Fields

New York—Fast competition in overlapping fields is underscored in recent merger, acquisition, and product marketing announcements of some basic metals firms.

Snowballing success of aluminum in reaching out into former closed bailiwicks of steel and copper has some light metal rivals adopting a join-'em-to-beat-'em technique. But Aluminum Company of America pulled a switch of its own recently. The big aluminum producer announced plans to acquire Rome Cable Corp., a 23-year-old firm widely known for its broad line of quality insulated wire and copper cable products.

In Rome, Alcoa will gain not only a well developed electrical product research layout but also complete facilities for production and sale of copper insulated wire to complement its own extensive line of aluminum products for the electrical industry.

Anaconda Out for Share

The Alcoa move into copper products followed closely on the announcement of one of the copper industry giants, Anaconda, that it is out for a bigger share of the aluminum market.

Anaconda said it hoped to accomplish this by beefing up one of its subsidiaries, Anaconda Aluminum Co., with merger of two other subsidiaries, American Aluminum and Cochran Foil Corp. The mergers swell assets of Anaconda Aluminum to a some \$140 million and create an integrated operation covering every phase of aluminum production from alumina reduction through fabrication of rods, tubes, sheets, extrusions, and foil.

Headquartered in Louisville, Ky., Anaconda Aluminum will have an aluminum metal reduction plant at Columbia Falls, Mont., plus a new \$40 million

fabricating plant at Terre Haute, Ind., for production of sheet, strip, rod, tube, and extruded shapes. The Terre Haute operations will be integrated with foil and tin sheet fabricating facilities of Cochran. The entire operation is expected to be made completely independent by utilization of Anaconda clay deposits at Moscow, Idaho, for production of alumina.

The trend to a "supermarket" type of competitive marketing in

the nonferrous industry is illustrated by other recent examples:

• Chase Brass & Copper Co. is stocking its various warehouses with aluminum supplies to meet the needs of its customers.

• Joseph T. Ryerson, one of the nation's biggest steel warehousing firms, announced it is expanding aluminum operations to its Cleveland plant by adding Reynolds rods, bars, plates, tubing pipe, flat sheet, and structural and extruded shapes. Ryerson began moving into aluminum sales to complement its steel supply services in 1955.

• Olin Mathieson Chemical Corp. and Textron, Inc., formed

a jointly owned company, Almetco, Inc., to produce aluminum extrusions. The new company will utilize facilities formerly owned by Textron in Ohio and Pennsylvania.

Soybean Plant to Be Built

South Norfolk, Va.—A soybean plant will be constructed adjacent to Cargill, Inc.'s, grain elevators here. Scheduled for completion by October, the processing facility will be able to crush 7 million bushels of soybeans a year and produce edible soybean oil and soybean meal for livestock and poultry.

Inland Steel Purchases West Coast Facility

Hayward, Calif.—Inland Steel Products Co., Milwaukee, has gained its first West Coast manufacturing plant with the purchase of Pacific Metal Decking Co.

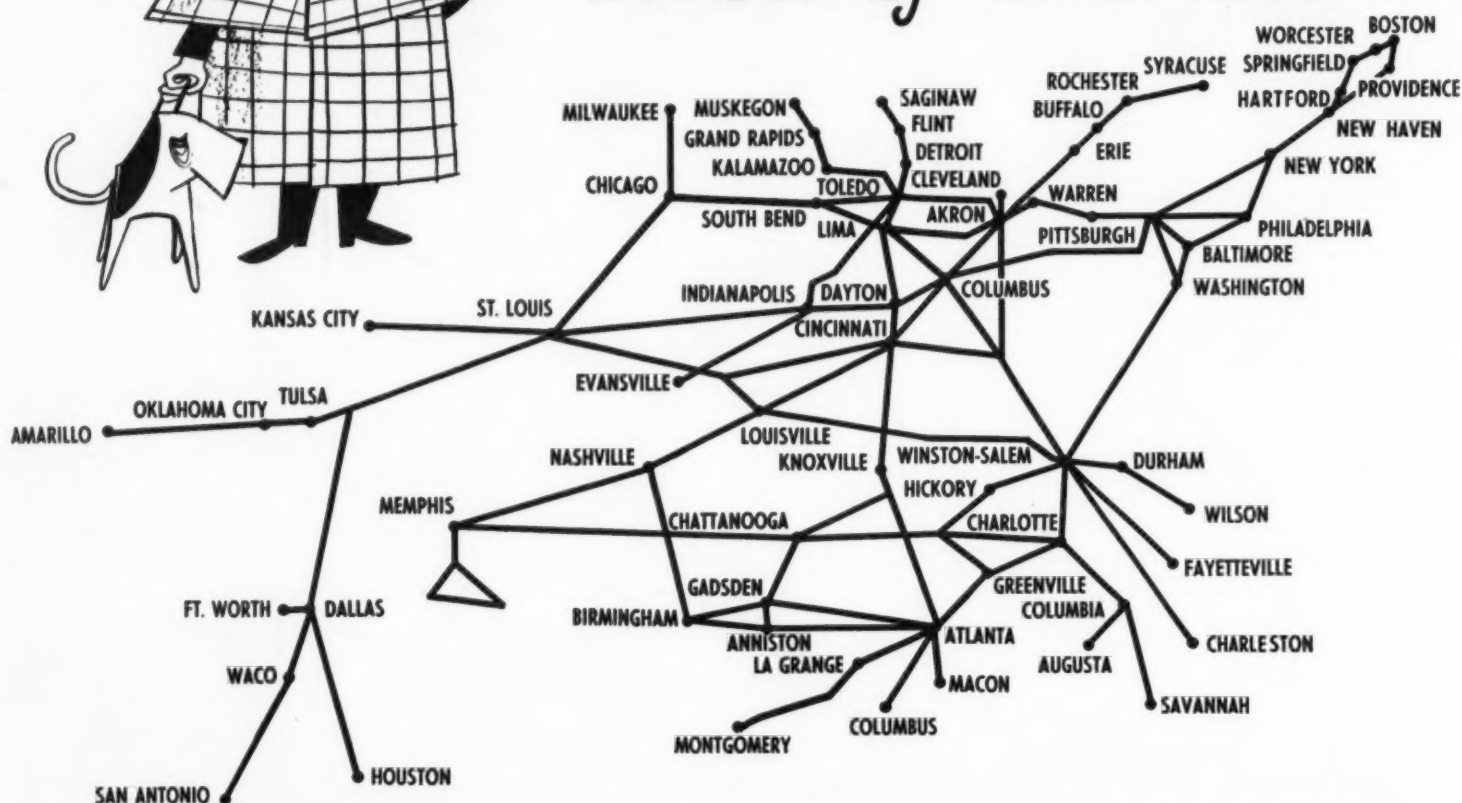
The new San Francisco Bay area plant will produce steel roofing, decking, and siding, and other metal building materials. It will serve Western states and will supplement an Inland warehouse in Los Angeles.

Within a year additional manufacturing facilities will be constructed in Hayward and more products will be added.



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CLEVELAND, OHIO VULcan 3-3400	LAGRANGE, GA. 8653	TULSA, OKLA. CHerry 2-1176
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Purchasing Perspective

FEB. 9-15

(Continued from page 1)

in the run for steel. But by and large, the mills say it's the "little man" on the order phone.

As of last week, mill spokesman reported, their biggest customers—the auto companies—were showing the greatest buying restraint (although at least one major firm earlier advised its suppliers to lay up 90 days of steel supplies by July 1). Most Detroit buying was being done strictly on the basis of current demand for new cars.

It's not hard to trace basic causes of the big splurge, which so far appears to be limited to steel buying and little else.

About the only really dark clouds on the business horizon these days are potential labor trouble and price increases. Unfortunately, the steel industry typifies both types of woe to many—industrial buyers as well as the public. What happens in steel, happens elsewhere.

Many companies feel that circumventing a steel supply crisis is good insurance for an otherwise uninterrupted snapback from the not-so-long-ago recession. In the pre-negotiation maneuvering, statements from both sides have done more to increase fears of a possible mid-summer crisis than allay them. U.S.W. newspaper advertising of the union's desire for one billion dollars in new money for its members (roughly 40¢ an hour) typifies the type of sparring which is getting both sides far out on limbs.

Combine this reasoning with a natural inclination to follow the leader and you have the equivalent of a wartime shoppers' queue. Some industrial buyers, who insist they are maintaining "normal inventories otherwise freely admit they are buying only because "everyone down the street is doing it."

There also is the P.A. for a Midwest appliance maker who said he was grabbing all the steel he could, figuring that "financing is going to be cheaper than a steel price hike after June, and I'm really only gambling a few dollars interest."

Trends: Eagle Pencil Co. is trying a new method of selling, utilizing a closed circuit TV show for customers from coast to coast. P.A.'s in Cleveland, Chicago, Atlanta and elsewhere gathered before TV screens in hotels last Thursday. The unique sales approach will be tried out on West Coast buyers this week. Danbury, Conn. originates the "show." . . . **Fuel oil prices have attracted the attention of government antitrusters.** Justice department says it is surveying increases back to last August in search of possible price-fixing deals.

Auto, Steel Industries Face Actions

(Continued from page 1)

• One is a suit aimed at the break-up or separation of some of the far-flung manufacturing and financial activities of General Motors Corp.

• The other is a specific case of illegal price-fixing on structural steel by West Coast Steel suppliers.

In New York, a grand jury is preparing a wide-ranging look at the auto industry giant, General Motors. All of its manufacturing operations—including autos, diesel engines, appliances and road-building equipment—as well as G.M.'s financial activities through its General Motors Acceptance Corp. will be covered. Supoenas by the grand jury ask for all kinds of G.M. records back to 1946.

In San Francisco, government attorneys are getting ready for a grand jury investigation which charges price-fixing could be the forerunner of a much broader antitrust attack against steel pricing practices.

Antitrust Chief Victor Hansen, while making clear no suit is yet ready for filing, leaves no doubts about what is on his mind. The ultimate target of

both the auto and steel grand jury investigations is "undue concentration" of power.

In autos, the primary fact that disturbs the antitrusters is the size of GM's dominance: up to 51.1% of total car production in 1958 from about 46% in 1957. Add to this G.M.'s hold in new car financing through G.M.A.C. and its dominant position in a half a dozen other lines, and the antitrusters feel G.M. is just too big and powerful.

In steel, it's the pricing pattern that most concerns the antitrusters. They just won a smashing victory in blocking further concentration of power in steel with their victory against a Bethlehem Steel Corp.-Youngstown Sheet & Tube Co. merger.

However, Hansen's investigators feel that U. S. Steel still exercises tremendous influence over pricing for the whole industry. But despite the price-leader evidence turned up by such investigations as Senator Kefauver's administered price study, the antitrusters have just not found the kind of evidence they think will make out a case of collusive, illegal price-fixing.

Labor Negotiations Pressuring Industry, Unions

(Continued from page 1)

posal of annual 6¢ or 2½% increases.

Although the bargaining climate is considered balmy for unions in many respects, labor leaders find themselves facing a touchy situation. It is the prospect of negotiating pay increases this year which won't quite measure up to the boost attained in 1958.

This bargaining paradox will be presented to the top officials of the A.F.L.-C.I.O. as they head for a mid-winter strategy meeting in San Juan, Puerto Rico, opening next week. Led by A.F.L.-C.I.O. President George Meany, the federation's 29-man executive council huddles on labor's problems and prospects in a ten-day session.

To Be Well Armed

They will be armed with a fresh bargaining report by A.F.L.-C.I.O. economists who are predicting a ripe bargaining year; a rising economic climate for good settlements. However, there's a catch to the rosy outlook with which the labor officials must tangle.

The A.F.L.-C.I.O.'s own internal problems also are due to be thrashed around on the resort meeting ground. These include racketeering, and what to do about the latest corruption case involving Executive Council member Maurice Hutcheson, president of the powerful carpenters union. United Auto Workers Walter Reuther also will be on hand to lead the industrial union jurisdiction battle against the A.F.L.-C.I.O.'s craft unions.

Getting Down to Demands

But when it comes to battling employers, the union chiefs will be talking 1959 bargaining and what to expect. This is what the economists report—to be released at the time of the meetings—will say:

• The economic climate for 1959 is good; much better than last year. Prospects for high settlements are good.

• Higher basic wage increases will be demanded and won. However, the total pay hike probably won't be above 1958's 8 to 12¢ median levels.

• Escalator contracts, tying wages to the cost-of-living, won't produce nearly as much in 1959. While bigger percentage pay hikes are expected, the total increase through the year won't improve last year's totals because the cost-of-living will stay fairly level through the year.

This is what the union strategists make their predictions on. Last year, the United Steelworkers, as an example, collected automatic increases in the last year of their three year contract. The total was a 9¢ wage hike plus another 9¢ because of the rise in the cost of living. This put the year's rate at a sizable 18¢. In autos, the total 1958 increase was 13¢, even though the negotiations produced only 7¢ for rising productivity.

Steel bargaining is the key in 1959, coming to a head in June. The outside pay rise for last year is more than enough to shoot at, even though steel production is expected to pick up through the year. This means, according to the labor outlook, that David J.

McDonald's United Steelworkers will be demanding, and expecting, to get more than the 9¢ of 1958—but the end total probably won't reach that level. This is true in many other key industries too, such as railroads.

This puts the union leaders into a bargaining box for the year. Already, 1959 settlements of 5%, or 13¢ in the oil industry and a trend settlement of \$1 to \$3 a week in the telephone industry are laying the bargaining groundwork.

The problems facing Meany, Reuther, McDonald and associates will be how to thrash out the higher pay rates to be demanded this year and not have it look lower than last year's settlements. And this assumes that employers are going to cooperate with the idea of higher settlements in a rising economy.

Normally, this theory is true: Better business, better pay. But, the peculiarities of the steel industry, which paid outside wage hikes in its three year contracts, won't be bargaining just on 1959. Industry leaders will be taking a look back when they negotiate, trying to take up some of the slack in the extended 1958 wage line.

The San Juan conference also must face up to the unemployment question, which also hits right at the bargaining picture. Continued higher levels of unemployment in such key industries as autos, steel and related groups are a pressure point on union bargainers.

Thus it could mean greater concentration on security issues, severance pay, shorter workweek, longer vacations, pensions, and so on.

Plastic Prices Continue Dropping; Makers Tell P.W. Softness to Last

(Continued from page 1)

the foreign market currently held by U.S. producers. Foreign producers also are starting to export low-priced materials in volume. For example, a big shipment of Japanese polyvinyl chloride recently arrived at 21¢ per lb., about 12¢ below going domestic prices.

Push to Expand Domestic Markets: This was a chief reason behind the 5¢ per lb. price cut on high-density polyethylene announced recently by Phillips Chemical Co., W. R. Grace, and the Koppers Co. It was also behind Dow Chemical Co.'s reduction on colored polystyrene (P.W., Feb. 2, p. 1).

Attempt to Crack New Markets: The versatility of most plastic materials already is being tested in many products in many industries. In many applications, plastics are getting the nod over such conventional materials as steel, aluminum, wood, and glass, because—they often offer lower cost, lighter weight, resistance to chemicals, or ease of fabrication into intricate shapes.

Many producers feel a price advantage will aid in getting a sound footing in new materials markets.

Another price factor is competition within the plastics industry itself. Rapid development of new materials challenges those just starting to get a grip on a particular market.

An example is the development of the polypropylenes which are expected to have a softening effect on existing materials, particularly polyethylenes.

"Everyone wants to try out the new ones," complained one producer, "and this is bound to cut in on the market."

Here is a few of the newer materials said to hold great potential, and the markets in which they have already gotten a foothold:

- Rigid Polyvinyl Chloride—the construction industry.
- Polyurethane Foams—furniture and automotive industries.
- Polyester Resins—textile industry.
- Polycarbonate Plastic—ball bearing industry.

Rep. Patman Raps 'Big Business'

Miami Beach—A Congressional critic of big business says the House Small Business Committee will investigate what he describes as a "growing disparity" between the large size of many purchasers and their small suppliers.

Rep. Wright Patman, who co-authored the Robinson-Patman bill, told a garment industry group here last week he wants the committee, which he heads, to make a preliminary study of the impact of the large buyer on the small seller.

Small Business Losing Out

Speaking before the annual meeting of the National Coat & Suit Industry Recovery Board, Patman expressed concern that small businesses are losing out against big business "monopoly." He asserted "big business" is growing bigger and taking over more and more of the nation's economy.

The federal business regula-

tors law which bears the name of the Texas legislator bans illegal price discrimination and requires sellers grant equal terms to all buyers. Patman promised he would again seek Congressional action or amendment of the law to require sellers to disclose to all customers any favorable terms granted to one.

Failure to Protect

Big business critics have charged that the Robinson-Patman Act often fails to protect, adequately, small business concerns because they are unaware or uninformed about special price deals or advertising allowances granted to or forced by their competitors from a common supplier.

Patman said such a disclosure bill stands an "excellent chance of approval by Congress." In Washington, however, many Congressional observers said they did not share Patman's estimate.

P.A.'s Viewing Today's Inventories Calmly

(Continued from page 1)
rate of inventory buildup after March 31, the government survey's cutoff date.

Both sets of figures support an earlier look at 1959 inventory planning by PURCHASING WEEK only six weeks ago, when some of the now spectacular hedge-ordering of steel was just getting underway. While noting that P.A.'s planned to pile up considerable steel on the shelf, the P.W. survey (P.W., Jan. 5, p. 1) reported that purchasing executives then were contemplating moderate inventory increases in tune with sales, but with slightly heavier buildups expected nearer mid-year.

The Commerce Department survey, conducted during November and December, covers the six month period from October, 1958 through this March. With the survey procedure still in the testing stage preparatory to putting the indicator on an official basis later this year, the report was not issued for publication although copies were made available to PURCHASING WEEK.

Covering the sales side first, the survey showed that manufacturers expect to ring up \$2.6 billion more in sales during the six months period ended in March than in the previous six

months, all of it in durable goods. Soft goods manufacturers on the whole expect sales to remain stable. The predicted increase would mark a rise somewhat more than seasonally normal for this time of year.

Manufacturers' inventories, on the other hand, were forecast to move up a seasonal \$300 million during the same period. Durable goods makers expected to add \$100 million, non-durables the remainder.

While squaring with earlier PURCHASING WEEK estimates that a buying setup would be slow in getting underway, the fall in the inventory sales ratio showed that P.A.'s are maintaining stocks at about present levels by turning over inventories somewhat faster and continuing to have suppliers act as their inventory holders.

In other words, aside from the notable exceptions, manufacturers are behaving no differently this time than they have during previous inbetween periods when the economy was emerging from a business setback.

Commerce Department experts said they felt there could be a more promising inventory buildup later this year if business continues to make good gains. This would have the effect of helping push the economy

closer toward a boom stage. The Commerce survey noted that one quarter of the manufacturers surveyed still thought their inventories were high.

Although this survey was taken two months ago, it squares with the current N.A.P.A. Business Survey issued this week in which 27% of the purchasing executives contacted reported they were still reducing stocks on hand. The majority, of course, indicated a reversal from the recessionary trend of inventory reduction.

However, while this inventory reduction situation persists to any significant degree, it maintains cross currents in the entire economy. It acts as a drag and offsets some of the activities of those firms actively rebuilding inventories.

Commerce Department officials believe that the manufacturing forecasts on inventories have been fairly good in the two previous tests held (P.W., Dec. 29, p. 1). Manufacturers are somewhat more accurate on inventory forecasts than they were on sales, which are always a tough nut to predict.

The department hopes to refine the surveys further and to issue results much sooner once they are put on a standard footing.

Price Changes for P.A.'s

Copper—Strong world and domestic markets have caused producers to boost copper 1¢ a lb. to 30¢.

Fuel Oil—Continental Oil Co. has boosted kerosene and diesel fuel a ½¢ a gal. throughout Texas. It puts tankwagon prices of both fuels at 14.8¢ a gal.

Mid-Continent refiners have boosted No. 6 heavy residual fuel oil tags by 10¢ to 20¢ a bbl. New price for Northern shipment now ranges upward from \$1.90 a bbl.

Gulf Coast prices of No. 2 fuel oil and kerosene are up ¼¢ a gal. It puts No. 2 tags at 9 7/8¢ a gal. and kerosene at 10 3/8¢ a gal. Heavy demand plus a strike at Gulf Oil Corp's Port Arthur, Texas, refinery are responsible.

Canadian tags for marine diesel medium fuel oil have been boosted 17 1/2¢ a bbl. at 12 ports. Locations include Halifax, St. John, Quebec, Montreal, Toronto, and Ontario.

Crude Oil—Magnolia Petroleum Corp. has cut prices it will pay for West Texas and New Mexico sour crude oil by 7¢ a bbl. Net prices for 40-gravity oil are now \$2.95 a bbl., while 20-degree and below gravity oil is down to \$2.30.

Textiles—Cone Mills has cut its lightweight finished carded saateens by ½¢ to 2¢ a yd. It leaves 42/43-in. 2.30 yd. cloth at 47 1/4¢, 2.10 yd. at 48¢, and 2.00 yd. at 49 1/2¢.

Musk Ketone—A drop of 50¢ a lb. for musk ketone tags puts it at \$4.75 a lb.

Wood Rosin—Grade N wood rosin has been boosted 20¢ a lb. by a major supplier. New price is \$8.60 a cwt., F.O.B. Southern shipping points.

Ammonioacetic Acid—Reduced tags have been quoted on 2,000 lb. or more lots of Ammonioacetic acid. New price is \$1.30 a lb.

Cobalt—African Metals Corp. has cut cobalt metal granules F and G sizes in 500-lb. drums. New price is \$1.75 while 100-lb. drums are down to \$1.77 a lb. Quantities under 100 lb. are \$1.82 a lb.

Fibrous Potassium Titanate—DuPont Co. has cut fibrous potassium titanate \$4.50 a lb. Lump form is quoted at \$7.50 a lb. with other forms reduced to \$4.50.

Two-Vinylpyridine—Reilly Tar & Chemical Co. has cut two-vinylpyridine another 10¢ a lb. New prices are \$1.57 a lb. in tanktrucks, \$1.20 in 10-drum lots, and \$1.35 for 9-drum or less. Increased operating efficiency is reported responsible.

Oil Eucalyptus—Can prices of oil eucalyptus 70-75% material has dropped, and is now 55-58¢ a lb. 80 to 85% materials is now quoted at 63-65¢ a lb.

Tires—Original equipment automobile tires have been boosted 1 to 2 1/2% by major suppliers.

Casein—Argentine casein tags are down to 18 1/2¢ a lb. in carlot quantities. LCL are now 20 1/2-21 1/2¢ a lb.

Tangarin Oil—A boost of 10¢ a lb. puts tangarin oil at from \$3.10 to \$3.25 a lb. Reduced stocks are reported responsible.

Lumber—Major plywood producers in the Northwest have boosted unsanded plywood \$2 a thous. sq. ft. to \$98 for 5/8-inch grade lumber. Improved orders are reported responsible.

Transformers—Three types of transformers for special applications have been raised by General Electric Co. Involved are mobile transformers and mobile substations, oil-immersed current-limiting reactors, and furnace transformers. The new prices, involving increases from 5 to 10% in some ratings, reflect cost relations which have been changing steadily since former prices went into effect a few years ago.

Plastic—Ludlow Papers, Inc., has announced price reductions on two new plastic films—Proplene, a high gloss packaging film made from polypropylene resin, and Paraplene, a medium density polyethylene film. The new pound prices, representing a decrease of 5% on the Proplene films and 8% on Paraplene, follow: Proplene (regular) \$0.93, Proplene (ultraviolet type) \$0.95, Paraplene \$0.85. These reductions reflect a newly lowered cost for base resins.

Sodium Phenolsulfonate—Sodium phenolsulfonate in drums is up 2¢ a lb. to 52¢.

Calcium Phenolsulfate—Calcium phenolsulfate prices are up 10¢ a lb. to \$1.24.

Carnauba Wax—Tags of North Country No. 2, crude carnauba wax in bags are down 1¢ a lb. to 78¢.

Isophthalic—Oronite Chemical Co. has reduced isophthalic from 22¢ to 15.2¢ a lb. The new price applies to carload quantities. The cut was made to "accelerate development work on this new product."

Stainless Steel—Base prices on all A. M. Byers Co. electric furnace stainless bars, billets, and wire have been increased 3 3/4%. This is in line with industry-wide across the board increases for stainless steels made earlier.

Resin—Polyester and alkyl resin prices have been cut by Reichhold Chemicals, Inc. Practically all of RCI's Polyite polyester resins were cut by 1¢ per lb. in the across-the-board cut, which brought base prices on truck and carload quantities from 34 to 33¢ a lb.

Milling-Cutter Blades—Wesson Co. has reduced by 10 to 15% their inserted standard Rigidcut milling cutter blades. Price reductions have been made possible through introduction of automated equipment and processes.

Order Rush Hits Steel Mills Hard; Allocation Procedure Being Adopted

(Continued from page 1)
even in demand barley three weeks ago.

Operations of the nation's steel mills jumped last week to around 80% of rated capacity, but production was still lagging well behind the rate of income orders. Major causes for the scramble were:

- A growing demand for steel products and consequent rebuilding of inventories from recession sub-levels.

- Whether justified or unjustified, a growing conviction that there will be a steel strike next July.

Reporters participating in an informal survey of inventory plans (Inventories p. 1) last week found nearly every executive contacted expecting a steel strike of at least a month followed by a price increase. But several other factors also are involved.

These include a general increase in manufacturing activities which has been forcing current steel deliveries into current production, prolonging the inventory replenishment process. Another reason is that automobile maker warnings to suppliers to lay in a hedge supply of steel has brought other steel consumers into the market to protect themselves.

All this has led to a lengthening out of promised delivery times at the mills; but these times vary widely from mill to mill and from product to product.

Much of the jam-up appears to be concentrated in the Chicago area. Centers such as Pittsburgh and Cleveland were not quite so rushed, but even there the pricing wave was described as "phenomenal" on flat rolled products with the market rapidly getting tighter.

At Cleveland one producer was

asking 45 days before the first day of the delivery month on all carbon products.

For the most part, the biggest buying seemed to be in cold rolled sheets, galvanized sheets, tin plates, and a few specialties. But the current picture was changing rapidly. Pittsburgh sources said that if the demand continued for a few more days at the same pace, seamless tubing also would be tight, with delivery of two months or longer.

Here's a delivery schedule:

Cold rolled sheets—6 to 10 weeks, with the time varying according to mill location. Automotive industry has set up strong buying in this category.

Hot Rolled Sheets—4 to 8 weeks.

Structurals—Still slack in some areas but strengthening in others (Chicago); time ranging from 2 to 6 weeks at Cleveland, 30-90 days on small structurals and 3 to 4 weeks on large structurals at Pittsburgh.

Plates—Still plentiful at Cleveland, 1 to 4 weeks; at Pittsburgh heavy plates 6 to 8 weeks, light plates 4 to 6 weeks.

Galvanized—6 to 10 weeks in tight areas, 2 to 3 weeks at Pittsburgh.

Tin Plate—4 to 10 weeks depending on the area.

Hot Rolled Bars—3 to 6 weeks.

Cold Rolled Bars—4 to 6 weeks.

Oil Country Goods—2 to 6 weeks with availability looser in the Pittsburgh area.

Standard Pipe—3 days to a week some millware houses, 2 to 3 weeks on mill orders.

Mechanical Tubing—4 weeks.

Manufacturers Wire—2 to 4 weeks.

Drawn Wire—4 to 6 weeks.

Stainless—4 to 8 weeks.

Eastern Railroads Will Fight Seaway With 'Special' Rates

(Continued from page 1)

truck competition came along and we have learned the hard way that it's easier to make rate adjustments that will keep the traffic on the rails rather than to lure it back once it's left."

John Ulinski, president of the Council of Lake Erie Ports, one of the most powerful groups in the Seaway setup, declared that the council will attempt to counteract the rails' announced drive to subdue this expected competition.

"Any such programs would be detrimental to the Seaway and the Lake Erie ports," he said, "and we are going to oppose them vigorously."

Hill disclosed that the association has been thoroughly exploring the rate and service instruments available to hold the largest share of export-import traffic to the rails once the waterway begins to make inroads. Eastern railroads obtained the aid of the Bureau of Census to determine what portion of this traffic is in danger of being lost to water carriers.

The study, expected to be completed in a few weeks, consists of analyzing 7,000 export items and 7,000 import items to see where the exporter picked them up, or to where the importer delivered them.

A bureau spokesman refused to give any indication of what the study shows except to express surprise at how much of the present share of export traffic is handled by the rails and how little inroads the truckers have made.

Hill hinted that more "incentive" or volume rates would be established to retain traffic. It was also reported that the rails would further test the "agreed charge" system.

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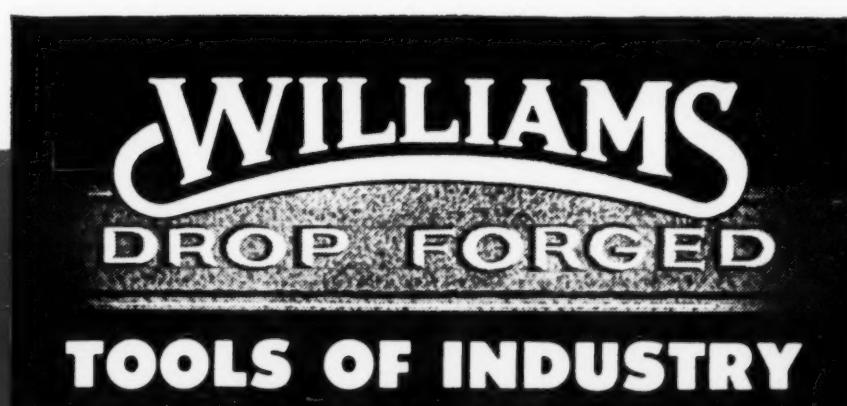
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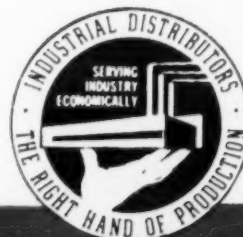
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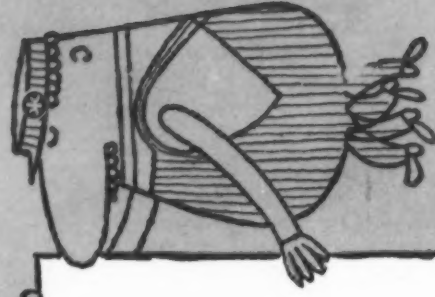
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